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# Latin America Report



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16 October 1985

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INTER-AMERICAN AFFAIRS

PERUVIAN MAGAZINE SAYS EASTER ISLAND TO BE U.S. F-15 BASE

Lima EQUIS X in Spanish 2 Sep 85 pp 12-13

[Text] Intelligence sources have confirmed that the base which the Pinochet regime of Chile has ceded to the United States on Easter Island will be exclusively for military use, and will not, as official announcements indicate, be used as an emergency landing field for the American space shuttles.

The same intelligence sources have confirmed that this military base constitutes a direct threat to the Southern Cone, and especially to Peru. Indeed, not only will Easter Island become a sure target in the event of a nuclear war, which will affect all neighboring countries, but under a secret Chilean-American agreement, the United States will provide Chile with annual shipments of offensive weapons that will obviously be aimed at our country and Argentina.

The Mataveri landing strip on Easter Island will actually be used as a take-off point for U.S. F-15 interceptors, whose mission would be to destroy the basic communications structure of the Soviet Union during the initial moments of a thermonuclear war. That is why the Reagan administration, using NASA as a front, has reached an agreement with Pinochet whereby the United States would lease the entire island for 10 years, with indefinite extensions. Easter Island has an area of only 160 square kilometers.

The Stockholm International Peace Research Institute (SIPRI) has also contradicted the official versions that the Chilean and U.S. Governments have put out regarding the activities that will take place on Easter Island from now on. The SIPRI has pointed out that the Mataveri airport does not meet the minimum landing requirements of the space shuttles.

The United States has tried to make its version more plausible by announcing that the Mataveri landing strip will be expanded. At present it is 2,930 meters long, and it will be lengthened to 3,353 meters at an estimated cost of \$20 million.

Our sources tell us that according to the experts, a runway 3,353 meters long at the thickness it will eventually have would still not be long or hard enough to take the weight of the space vehicles. The situation becomes even clearer if one bears in mind that NASA uses the military base at Vandenberg, California for the landing of the space shuttles. Its runway is almost 7,000

meters long, and is up to four times as thick as the strip at Mataveri. When the space shuttles land, they produce an impact that is up to 10 times greater than that of the big Boeing 747s. How could the American space shuttles land there under those conditions?

There is not a shadow of a doubt, then, that Mataveri will serve as a base and point of departure for the strategic F-15s. These interceptors are equipped with ASAT anti-satellite missiles, whose specific and exclusive objective is to destroy the Soviet Molniya satellite system.

To confirm this information, suffice it to note that the Soviet satellites in this system have an elliptical orbit, and they come closest to the earth when they pass over the Southern Hemisphere, very close to Easter Island. In fact, they come within 400 kilometers of the earth at that point. Therefore, the island is the best possible place in terms of the U.S. nuclear strategy.

The Molniya system is the nerve center of the Soviet Union's command, control, communications and intelligence systems in the context of the so-called "Star Wars." There is no doubt, therefore, that Soviet strategists, who are well aware of the threat to this vital system of theirs, must already have included Easter Island among their top-priority targets in the event of a nuclear confrontation. As a consequence, as soon as a confrontation of this type began, Easter Island would be destroyed by Soviet missiles within minutes, and all of our countries would be affected by the atomic radiation.

Obviously, Pinochet has not leased Easter Island to the United States just because he wants to participate in the "Star Wars." Above all, he is seeking American military aid, which was legally frozen until a short time ago because of the human rights violations that have taken place in Chile. Not only does he want military aid, however; he also wants U.S. support for his remaining in power. He seems to have achieved his goal, because with the Chilean-American agreement, Chile becomes the United States' principal ally in Latin America. Washington will not allow Pinochet to fall so easily.

It is impossible to exaggerate the threat this alliance poses to Peru, because of Chile's traditional geopolitical interests in Peru and because of the United States' own designs on our country. This is especially true now that we have another revolutionary government that is eliminating our dependence on the imperialists. It would not be surprising--history is full of examples of such behavior--for the United States to try to use Chile as a front man at a given moment to attack our country for the purpose of squelching the current anti-imperialist trend.

Consequently, we must pay close attention to the intelligence reports on the secret Chilean-American agreement that was annexed to the lease of the island. In exchange for that lease, Chile will receive annual shipments of sophisticated warplanes and modern missiles of all kinds, tanks, and worse yet, the privilege of using the American spy satellites to locate strategic targets within our territory.

All this means that we must take urgent steps to face this threat, both by equipping our military, which would necessarily have to be oriented toward the USSR's weaponry, and by developing an active diplomatic policy of denouncing the Chilean and American schemes.

INTER-AMERICAN AFFAIRS

CARIBBEAN CHURCH LEADER HITS FOREIGN INFLUENCES ON AREA

Bridgetown CARIBBEAN CONTACT in English Jul 85 p 3

[Column by Rev Allan Kirton, general secretary of the Caribbean Council of Churches: "Deep Concern for Social, Economic Future of Caribbean"]

[Excerpts]

EVEN the most starry-eyed student or optimistic analyst of the Caribbean scene has cause for some concern when it comes to making an economic and social prognosis for the region.

**LEADERSHIP  
VACUUM**

Let us attempt to outline some of the elements involved in the process of what may well be called the "Haitianisation of the Caribbean". At the outset, we are having to come to terms with a leadership vacuum which is tending to be filled by political coalitions who appear to have little or no concept of the demands of accountability. Interestingly enough, this posture is being assumed by political leaders who are able proudly to trumpet a rhetoric in which the word 'democracy' figures as a sort of trigger-word in a conjurer's act.

Real democracy recognises the people as the principal arbiters of our political and social processes. Their role is not to be relegated to "two minutes in a polling booth every five years", as Roy Neehall succinctly caricatures it. Accountability is to the people and not to a "maximum leader" or to a political party whose paramountcy is indisputable.

We call for a democracy in which the people's participation is maximised and in which the people are recognised as the ones to whom we are accountable.

Unfortunately, as the people are trampled or disregarded, as they become increasingly disenchanted after having tried the available alternatives and having found them all wanting, there develops among them an indifference to the political and social reality that leads to an apolitical stance which is a prime enemy of democracy. In such a situation the people couldn't care less and the leaders get away with murder.

**POLITICAL  
GANGSTERISM**

But there are instances where man's natural instinct to strike out for freedom, dignity and human rights refuses to be squashed. There are persons, who even without aspiring, become drum majors for justice and who brook the eternal devil for justice sake. But there are also those whose interests are threatened by our quest for justice and who will use any means to suppress it. Thus it is that we note the development of private militias, whether they bear the name "Tonton Macoutes", "Mongoose Gang", "House of Israel", or just plain "gunmen". Or the tribalism may take the form of

blind, unreasoning party loyalty which will suffer no dissent and which will bend, twist, or throw out the law in the annihilation of "the enemy". Whatever its name or form, political gangsterism has become a permanent feature of the Caribbean social landscape and plagues the community at large.

What is most interesting is that these abuses of human rights take place under the fatherly regard of superpowers who act as the mentors of Caribbean leaders. By their silence they aid and abet the exploitation of people while hypocritically claiming to have a concern for the people's rights.

Another area of concern has to be the uncritical adoption of economic policies that are irrelevant to communities such as ours. We will always contend that the prescriptions of agencies such as the International Monetary Fund (IMF) cannot be dispensed in exactly the same way in a Caribbean territory in 1985 as it was in post-war Germany. Similarly, "Reaganomics", which is an economic policy that has not succeeded in the community for which it was concocted, cannot be applied to our region in which social security provisions are rudimentary if they exist at all.

The heartless implementation of an economic measure or series of measures in the Caribbean exacerbates an already critical social situation in which unemployment is rampant, social services are withdrawn, small businesses are crippled and the middle-class is on the way to becoming extinct. At the same time, the private sector is flourishing.

#### **"THE 1-800 SYNDROME"**

Parallel to this is the media onslaught which raises and encourages certain expectations among Caribbean people, including the poor, which cannot be realised. Some there may be who try to make it but they become the victims of what one Caribbean economist calls "the 1-800 syndrome". In this state they despise home-grown products and solutions and revert to the idea that the imported product is the more desirable, that the solutions which originate out-

side of the region are the only viable ones and, basically, that what is ours can't be good.

For hand in hand with the kind of deficit balance-sheet that we have tried to highlight, there is a metaphysical or religious rationale for coping with the situation. One such is the approach which can only be described as a "cop out". It says that such questions are political and that churches and Christians have no place in politics. The religious life thus becomes an escape mechanism which refuses to face up to the reality. This is the religion which becomes the opiate of the people.

Not co-incidentally, the region is being overrun by a new onslaught of "evangelical missionary outreach" which is almost exclusively made up of sects whose orientation can best be characterised as otherworldly. Paradoxically, this outreach constitutes the religious underpinning of the US administration's ideological, economic and social doctrine and thus it is far from being non-political.

#### **ENGAGEMENT**

*The other approach is one of engagement, not of the type that causes the Church to be co-opted or swamped, but that which challenges the Church to take the world seriously, to dialogue with it and, hopefully, to redeem it. We can, therefore, not afford not to make balanced, profound analyses of our reality, to reflect theologically upon it, to seek to discover where God is in it all, or how the Christ-presence must be mediated in it.*

INTER-AMERICAN AFFAIRS

INTRACARIBBEAN TRADE ISSUES CONTINUE IN SPOTLIGHT

St Lucia Appeal to Trinidad

Port-of-Spain TRINIDAD GUARDIAN in English 11 Sep 85 p 5

[Text]

CASTRIES, Tues., (Cana):

ST LUCIA'S Trade and Industry Minister, George Mallet, has again called on his Trinidad and Tobago counterpart to ensure that the Central Bank there releases foreign exchange to import goods from St Lucia.

The minister renewed his call following a statement from the Ministry of Industry in Trinidad that \$2.8 million worth of applications from St Lucia have been processed this year.

The announcement said this worked out to over 90 per cent of the import licence applications for St Lucian goods.

Castries had complained that Trinidad and Tobago was not honouring a pledge to relax restrictions on its exports.

Mr Mallet however said that although licences may have been approved, St Lucian manufacturers were unaware of any changes as the Trinidad and Tobago Central Bank had not yet released the foreign exchange or the relevant ECO forms.

Simultaneously with the processing or approval of the applications there has not been the approval of the ECOs or the foreign exchange being approved, he said.

Mr Mallet added: "This is a particularly important point as it makes no sense for the ministry to approve licences where it is impossible to get the Central Bank to release the foreign exchange."

He said he hoped it did not appear that St Lucia was at crossed swords with the Industry Ministry in Trinidad, but wished only a clarification of the situation.

"When we last discussed the matter in Barbados in July the assurance was given us that when these applications for licences are approved everything would be done to ensure that there was the backing of the foreign exchange section of the Central Bank. It is that latter part that has fallen down and this is,

where we are."

Mr Mallet said his ministry has been told on many occasions that licences had been approved, but St Lucian exporters say they have not been so advised.

He added: "I am sure I can count on the support of the Minister of Industry and Commerce (Senator Wendell Mottley) in Trinidad, and I will certainly ask him to do what he can to ensure that the ECOs and foreign exchange are released concurrent with the approval of these licences."

Trinidad Study of Nassau Pact

Port-of-Spain SUNDAY GUARDIAN in English 15 Sep 85 p 6

[Text]

TRINIDAD and Tobago says it is still considering the implications of the 14-month-old Nassau Understanding, a trade agreement among Caribbean Community (Caricom) nations that the George Chambers Government is yet to implement despite the passing of three deadlines.

Citing a series of complications which have developed, Industry Minister Senator Wendell Mottley told CANA the matter is still before the Cabinet.

Essentially the Government appears to fear a further rise in the cost of living as a result of the Nassau accord which entails the raising of tariffs on a range of non-Caricom imports to protect similar products made in the area.

Mottley cited the Government's introduction of a 12 per cent stamp duty on all bills of entry in the 1985 Budget last January, six months after the packaging of proposals was agreed on by Caricom leaders in the Bahamas.

The agreement also calls for the removal of Trinidad and Tobago's protectionist trade policies that have slashed Caricom imports.

"There is a question of our own adjustment," said Mottley, in explaining his Government's stand, "and how much we can ask our own people to bear, especially in relation to some of the budgetary measures that we originally took .... the extent to which we are already bearing a burden in the sense that we are the major Caricom market.

Some other major Caricom countries have dropped out of the picture altogether, added Mottley, in a reference to the severe economic problems of Jamaica and Guyana.

The Minister also said the time was ripe for a review treaty which established Caricom 12 years ago.

"A lot of water has flown under the bridge

since the Chaguaramas Treaty, there are currents of opinion that circumstances are so changed that we ought to look at the very foundation of that treaty all over again. It is a very complex subject.

"The (Nassau Understanding) is still before Cabinet here. There are a series of complications — Some of which revolve around the 12 per cent and what further burdens we might ask the Trinidad and Tobago population to bear. The matter is proving difficult but we are trying to see how we can resolve it.

"The measures were agreed, conceded Mottley, (but) Trinidad and Tobago is by no means the only state that has not implemented the measures." St. Lucia and Antigua and Barbuda — which say they are waiting on Port-of-Spain — and Belize are the others.

In a speech on Friday, Mottley provided a list of figures on Trinidad and Tobago's import to show that the Caricom region had been favoured in terms of this country's trading.

According to official figures, total imports into Trinidad and Tobago fell from \$6.2 billion in 1983 to \$4.6 billion in 1984, a 25.8 per cent fall.

Imports from the Caricom declined by 18.6 per cent from \$414 million in 1983 to \$337 million last year.

Mottley said that the fall in imports from Caricom for this year so far had been less than 30 per cent, in comparison to the figure of more than 50 per cent given for all imports.

The people of Trinidad and Tobago, he said, had to make the adjustment to the decline in revenues from the key oil industry and Caricom could also not fully escape the adjustment.

Mottley quoted a recent speech from Prime Minister Chambers who said that a one dollar drop in the price of oil lowers Trinidad and Tobago's revenue by \$100 million (CANA).

Port-of-Spain EXPRESS in English 16 Sep 85 p 1

[Text] **BRIDGETOWN, Sunday, (CANA) —** Barbados Prime Minister Bernard St John says Caribbean governments could impose trade and civil aviation restrictions against Trinidad and Tobago to pressure it into implementing an agreement to boost trade in the region, a press report today said.

"Unless we (Barbados) can get access to the whole of the Caricom (Caribbean Community) market, we are not going to be able to realise the number of job opportunities we need to have realised," the *Sunday Sun* newspaper quoted St John as saying in an interview.

Trinidad and Tobago's Minister of External Affairs, Errol Mahabir, told the EXPRESS yesterday that he had "no comment" to make on the Barbadian Prime Minister's statements.

St John said if Caribbean countries did not buy oil from Trinidad and Tobago and bought it from Venezuela this would have an impact on that country's economy.

St John added: "If the countries did not buy the other goods; Trinidad's exports to the Caribbean — tin cans and a lot of other goods—that would have an effect on their manufacturing industry."

"If the other countries in the Caribbean did not

allow (Trinidad and Tobago's state-owned) BWIA to earn foreign exchange from them by carrying passengers, the subsidy to BWIA which at the present moment is somewhere in the vicinity of \$400 million, would be one million," he said.

Barbados has threatened to introduce trade restrictions if four Caricom countries, including Trinidad and Tobago, do not implement by month-end the so-called Nassau Understanding, which involves dismantling of import licensing systems and extension of tariff protection to a list of regional goods.

Trinidad and Tobago, Belize, Antigua and Barbuda and St Lucia have not implemented the Caricom accord, whose third deadline was August 31.

St John said: "The question of the inter-dependence of the Caribbean is now well known. The world is inter-dependent, far less the Caribbean among themselves. There is absolutely no doubt about it.

"We are all dependent upon one another, some to a greater degree. But the question is to ensure that the politicians in the Caribbean area understand this dependency."

#### Reaction in Port-of-Spain

Port-of-Spain TRINIDAD GUARDIAN in English 17 Sep 85 p 1

[Article by Clevon Raphael]

[Text] TRINIDAD and Tobago's External Affairs Minister, Mr. Errol Mahabir, has called in the Barbados High Commissioner resident in Port-of-Spain to discuss a reported threat by the Barbados Prime Minister to impose sanctions on Trinidad and Tobago for failing to implement certain measures to boost regional trade.

Mr. Mahabir will meet Mr. Walter Burke at his Knowsley office this afternoon to ascertain the accuracy of newspaper reports attributed to the Barbadian leader, Mr. Bernard St. John.

While Mr. Mahabir and Senator Wendell Mottley, Industry and Commerce Minister declined to elaborate on the reported threat and what retaliatory measures Trinidad and Tobago could take if it was carried out, other official sources were not that tight-lipped.

They said Mr. St. John, facing a general election next year was looking for a "bobolee" to blame for the poor state of the Barbadian economy and "Trinidad and Tobago as usual was a natural target."

According to a Cana (Caribbean News Agency) report from Bridgetown, Barbados, Mr. St. John speaking in an interview with a newspaper in Barbados, said if Caribbean countries did not purchase oil from Trinidad and Tobago and instead buy

from Venezuela, this would have an adverse impact on this country's economy.

He added, according to the Cana report:

"If the (regional) countries did not buy the other goods Trinidad exports to the Caribbean, tin cans and a lot of other goods, that would have an effect on their manufacturing industry."

Contacted for the Government's position on the reported threat from Bridgetown, Mr. Mahabir said all he was prepared to say was that he had asked for a report from Trinidad and Tobago's High Commissioner in Barbados (Mr. Reginald Dumas) on the story.

He elaborated:

"I have also asked the Barbados High Commissioner resident in Port-of-Spain for a meeting tomorrow to discuss the news media reports. I don't know if Mr St John was properly quoted."

When the "Trinidad Guardian" spoke with Minister Mottley last night, he said he had no comment to make other than what he said at the opening of Furnicon '85 last Friday.

#### CRITICAL ECONOMY

At that function he disclosed that Trinidad and Tobago had so far approved more than \$60 million in licences for Barbados goods to be imported into Trinidad and Tobago in 1985.

Stressing that Port-of-Spain was not interested in a "knock for knock fight" with one of the Caricom sister states, an official source contended:

"Mr. St. John is going into an election very soon with an economy similar to that of other Caricom countries — very critical.

"He is under pressure and he is looking to see whom he could shift the blame on. Or, as we say in local parlance, looking to see who he could pelt 'calpet' at. There is a very serious unemployment problem in Barbados and Mr. St. John, poor chap, is in a quandary.

"An American firm which specialised in electronics recently closed down throwing scores of people on the breadline. As usual an attempt is being made to set us up as the natural target."

Asked what possible retaliatory action this country could take if Mr. St. John implemented his threat, another source said:

"Well, well, how much did Trinidad and Tobago approve so far in 1985 for Barbados products into this country? Keep that in mind and let your imagination run wild."

The main bone of contention between both countries is the non-implementation of one provision in the Nassau accord dealing with regional trade; placing an additional tax on extra-regional goods entering Trinidad and Tobago, which would mean an increased financial burden on local tax-payers.

This is before Cabinet for a decision.

#### More on Nassau Pact Delay

Port-of-Spain EXPRESS in English 17 Sep 85 p 1

[Article by Ria Taitt]

[Text] A SENIOR government official has told the EXPRESS that the Government intends to implement the Nassau Understanding, but it is waiting to establish "much of the legal groundwork."

When contacted, however, Senator Carlton Alert at the Ministry of Legal Affairs stated that he was quite lost on that matter and that the best person to put matters in perspective was Senator Wendell Mottley, Minister of Industry, Trade and Consumer Affairs.

Alert said that if a law was needed for the implementation of the Nassau Understanding, the matter would have to go to Cabinet first, receive its approval, before being passed on to the Ministry of Legal Affairs.

But he added that whatever is agreed upon at the governmental level did not necessarily have to become law. "A change in opinion and feeling could make a difference," he said.

"The best person to put matters in perspective is Mottley because it is the Minister concerned who carries the ball."

However, Senator Mottley, last week, declined comment on the Nassau Understanding, saying that it was issued at the level of the heads of governments. "I may have my personal feelings, but I don't think I should say anything on that matter. It was handled on the level of the head of government."

EXPRESS investigations have revealed that Barbados Foreign Affairs Minister Louis Randall Tull

16 October 1985

came to Trinidad last week to try and reach some resolution on the Accord.

Referring to Bernard St John's allegations that "protectionist elements ... have captured the mind of government," an official in the Ministry of External Affairs said that the Barbados Prime Minister will have to name those "elements" himself.

"Even if there are protectionist elements influencing the government's decision, one cannot expect a government to come out openly and say so. St John will have to name the elements," said the official. "As far as I know, the Nassau Agreement will be implemented as soon as legal matters are sorted out."

When asked if Trinidad and Tobago had an extra responsibility to the Agreement because of its position in the Caricom market, the official said: "The main objective of any government is the concern of its people. And that is not an anti-federalist view."

Asked what would Trinidad and Tobago do if Barbados goes through with its threat to impose trade and civil aviation restrictions against Trinidad and Tobago if she does

not implement the Accord, the official stated: "Your guess is as good as mine."

The official also stated that if Trinidad "frees up" its trade, the impact would be devastating to Trinidad and Tobago. The official said that Trinidad has the highest wages in the region and if other goods are allowed to enter our market, the competition from other Caribbean countries could be damaging, but added that the Nassau Accord has built-in mechanisms which assure that this does not occur.

The Nassau Understanding was drafted at the last Caricom Heads of Government Conference in Bahamas, last July. Among its principal objectives was the revitalisation of intra-regional trade and payments and of achieving greater co-operation and co-ordination of efforts in the field of production.

The last deadline for implementation was August 31, but to date Trinidad and Tobago, Belize, Antigua and Saint Lucia have not done so.

#### Compton Comment

Port-of-Spain EXPRESS in English 18 Sep 85 p 1

[Article by Ria Taitt]

[Text]

**WHILE** talks between the Ministry of External Affairs and the High Commissioner of Barbados were in session in Port of Spain yesterday afternoon over the Nassau Understanding, Saint Lucia's Prime Minister John Compton told the EXPRESS that the issuing of threats is not the way to solve the problems of Caricom.

"All of us have our problems and what we have to do is sit down and hold discussions. We all have our own internal politics to deal with."

Like Trinidad and Tobago, Saint Lucia has not implemented the Nassau Understanding and Compton gave as the reason for his delay—"internal politics."

Compton expressed fears that St John's threat might result in a recurrence of the tension that existed between Trinidad and

Tobago and Barbados after the U.S.-led invasion of Grenada in 1983. "I don't want a recurrence of that situation," he said. He said that the threat from Barbados might "muddy the water" between Trinidad and Tobago and Barbados. "I had thought we were making some progress," he said.

But a release from the Ministry of External Affairs after the discussions between the Barbadian High Commissioner, Walter Burke, and Mahabir described the discussions as "cordial."

At the discussions, both Trinidad and Tobago and Barbados agreed that dialogue should continue at the official level between the two countries, and to this end Errol Mahabir has written to Barbados External Affairs Minister Nigel Barrow.

"The discussions were held in a cordial atmosphere and ranged over a number of issues, including those that have recently been the focus of attention in the media," the release said.

CSO: 3298/1026

INTER-AMERICAN AFFAIRS

VENEZUELA, BELIZE AGREE ON NEED FOR MORE AREA INTEGRATION

Port-of-Spain TRINIDAD GUARDIAN in English 14 Sep 85 p 5

[Text]

CARACAS, Fri. (Cana):

BELIZE and Venezuela have agreed there should be more communication between Latin American and Anglo-phone Caribbean countries to promote regional integration, according to the leader of the Central American state.

Prime Minister Manuel Esquivel made the statement after talks with Venezuelan President Jaime Lusinchi yesterday.

Belize hopes to sell sugar and other foodstuffs with Venezuela, with which it has virtually no trade, and buy oil in exchange, Mr. Esquivel told reporters after the 90-minute meeting.

He said his talks with Mr. Lusinchi also covered the situation in Central America and the Caribbean and Belize's territorial dispute with Guatemala.

"We are very much agreed as to the best ways in which we should proceed to try and solve the problems which we face," he declared.

Mr. Esquivel reiterated Belize support for the Contadora peace initiative saying it offers the best hope for a solution to the Central American crisis.

The tiny nation has avoided being sucked into the violent confrontation in the area.

Mr. Esquivel, who is on a three-day official visit, said he was heartened by Venezuela's stance on Belize territorial dispute with Guatemala.

The position of Venezuela is encouraging to us. We are sure that as time goes by, we will, eventually find a solution to the problem," he said.

He pointed out that although Belize does not have an oil refinery, his Government was looking at ways in which it might benefit from the pact of San Jose, under which Mexico and Venezuela supply crude oil on concessionary terms in nine Central American and Caribbean countries.

CSO: 3298/1027

INTER-AMERICAN AFFAIRS

ANTIGUA-BARBUDA REITERATES STAND ON STATUS OF BWIA

Port-of-Spain TRINIDAD GUARDIAN in English 10 Sep 85 p 12

[Text]

LONDON, Mon., (Cana): ANTIGUA and Barbuda today reaffirmed it had designated Trinidad and Tobago's state-owned BWIA as its national carrier on international air routes.

A High Commission statement said Antigua and Barbuda was not in breach of any agreement or undertaking to BWIA and Government was publicly announcing a proposal for formal discussions with the Trinidad and Tobago Government to clarify all misconceptions regarding BWIA.

The statement was a response to one last monthend by chairman of the Trinidad and Tobago Bilateral Negotiating Standing Committee on Air Services, Reginald Dumas that no formal communication had been received on Antigua and Barbuda's designation of BWIA as its national carrier.

The Government of Antigua and Barbuda deeply regrets the decision of the chairman of the Trinidad and Tobago Bilateral Standing Committee, Mr Dumas, to further publicise statements on the matter of BWIA, instead of seeking an opportunity, as the accredited High Commissioner, to discuss any misconceptions, it said.

NEW AIRLINE

Antigua and Barbuda announced in July an agreement with British Airways to service the St John's-London route in conjunction with a new airline, Antigua and Barbuda Airways.

It added that BWIA had been unwilling to take up designation because British Government regulations would require it to fly to Gatwick and not Heathrow, London's main airport.

The High Commission statement said Mr Dumas had incorrectly said that Antigua and Barbuda Airways was a new airline and would be allowed to use Heathrow rather than Gatwick.

As already stated, the facts are that Antigua and Barbuda Airways is not a carrier. It is a company which is wholly-owned by the Government of Antigua and Barbuda and which was established

to conclude a commercial agreement with British Airways, the designated carrier of the UK Government; the High Commission said.

It said the failure of BWIA to operate agreed services on the specified route from St John's to London had been due to no fault of the Antigua and Barbuda Government but to circumstances over which the Government had no control and to constraints which BWIA in its sole discretion had considered sufficient to persuade it not to wish to carry out the objects of the designation.

The Trinidad and Tobago Government and BWIA are all aware of the importance of Antigua and Barbuda's tourism traffic to which Trinidad and Tobago's State Enterprises Minister Ronald Williams made reference in his letter of January 17, the statement said.

It added: "The Antigua and Barbuda economy is highly dependent on tourism and appropriate arrangements must be made to safeguard the industry which is the backbone of the economy."

INTER-AMERICAN AFFAIRS

CANADIAN PETROLEUM FIRM ASSISTS CARIBBEAN STATES

FL021620 Bridgetown CANA in English 1556 GMT 2 Sep 85

[Text] Toronto, 2 Sep (CANA)--Petro-Canada International Assistance Corporation (PCIAC) will continue to support Barbados goal of self-sufficiency in oil production, according to the corporation's recently released annual report for 1984. However, PCIAC's assistance to Barbados this year will be on a more modest scale.

The corporation's plans for 1985 include further technical assistance in overall evaluation of potential gas utilisation in Barbados. It will also assist the state-owned Barbados National Oil Company (BNOC) in expanding the Woodbourne field in the southeast part of the island by contributing oilfield supplies for a six-well stepout drilling programme.

With PCIAC's support, BNOC has more than doubled its oil production within two years, the report notes.

Reviewing PCIAC's activities in the rest of the Caribbean, the report says that the corporation provided technical assistance to Jamaica in 1984 following its 1982-83 onshore drilling and offshore seismic programme.

PCIAC plans to continue to provide assistance to Jamaica in the field of specialised geological studies and interpretation of newly acquired seismic data.

It is also assisting in the upgrading of the petroleum corporation of Jamaica's refinery in Kingston.

PCIAC also carried out an offshore seismic programme in the waters of Haiti as part of a cooperative programme with the Inter-American Development Bank during the winter of 1983-84. Although very successful technically, the results of this survey were disappointing and revealed no areas for future activity by PCIAC on the offshore, the report says.

After undertaking the Haiti project, the 'Bernier,' PCIAC's seismic vessel, carried out a survey in the Tobago basin as a joint project with the Governments of Barbados, Grenada, St Lucia and St Vincent and the Grenadines.

Results of this programme are in the final stages of interpretation, according to the report.

ANTIGUA AND BARBUDA

ACLM, ATLU RAP GOVERNMENT FOR POLICY ON BEACH ACCESS

OUTLET Criticism of ALP

St Johns OUTLET in English 26 Jul 85 pp 1, 2

[Text] Recently foreign hoteliers have been virtually laying claim to the beaches of Antigua, and insisting that the beach adjoining their luxury hotels is the property of the hotel. This exclusive use of the beach by tourist hotels is fraught with danger.

In some instances the legal requirement for an access road which leads to the beach has been violated. Thus to get to the beach Antiguans would have to walk across hotel property with subsequent challenges that they were "trespassing" on hotel property.

Recently, popular restauranteur Hilson Baptiste owner-operator of the ever popular BROTHER B's restaurant was on the beach at Galley Bay with his children for a Sunday outing.

While there, Mr Baptiste had a pack of fierce dogs 'hushed' on him by the hotel proprietor who ordered him off the beach.

When the hotel proprietor recognised Mr Baptiste she called off the dogs and apologised saying that she was unaware that it was him and were she aware she would not have reacted thus. Mr Baptiste let the hotelier know that he had a right just as any other Antiguan to be on the beach and he did not accept that it was a special privilege for him to be there.

Several persons have complained of being ordered off the beach of Five Star St James Club. An access road to the beach at St James Club is almost impossible to find. It has virtually been arranged that to get to the beach there one has to cross hotel property. On crossing the property without 'a pass' to be a visitor on the club's property several people have been stopped and turned back.

A case has been reported to OUTLET where a man who owns property in the area of St James Club walked on the rocks at the back of his personal property and got to the public beach at St James Club. He was ordered off the beach by St James Club authorities but insisted that he had a right as an Antiguan to enjoy the beaches which are legally and rightfully public property. The man stood his ground and a fracas nearly ensued, until the hotel authorities relented and gave way.

Several other people less willing to stand up for their rights have wilted under Hoteliers rude insistence that "the beach belongs to them."

The issue is becoming a Caribbean problem, and the popular Barbados Calypso by Gabby is rightfully celebrated as a classic, asserting the right of the people to their own beaches without in any way denying that the beaches are and should be a tourist attraction.

Some hoteliers claim that locals often ride horses on the beaches endangering life and limb of tourists and locals alike. It is illegal to ride horses on the beach. However, the illegal activity of a few should be dealt with according to law, and not used as an excuse for keeping locals off beaches frequented by tourists and on which there are luxury hotels.

Some observers believe that soon enough a very serious incident will occur on one of Antigua's beaches when some arrogant hotelier seeks to evict someone from the public beach. The clash of race which such a conflict involves could turn into a nasty racial confrontation.

Many observers believe that the Bird government informally gives permission to hoteliers to keep their beaches exclusively for tourists, and permit the erection of tourist facilities on the beach front which foreign hoteliers claim are exclusively for the use of their "guests" and further claim that locals on the beach "unlawfully" use these hotel facilities erected on public property. Facilities erected on public property are for public use according to law.

Other observers believe that the law declaring beaches to be public, needs to be updated making clear that facilities erected by hoteliers on public property must and can be used legitimately by any member of the public conducting himself or herself properly.

It seems though that government is waiting for some serious incident before affirming the law which the very Labour Party insisted on in the early sixties claiming that it is the inalienable right of every Antiguan to enjoy the beaches of the island without let of hindrance. The ruling ALP has not been so insistent of late.

#### ATLU Demands

St Johns THE WORKERS VOICE in English 3 Aug 85 p 1

[Text] The ATLU has been informed that the multi-million dollar project which is scheduled to be built at Deep Bay would be employing only Italian workers.

The Union understands that dozens of containers and equipment have already arrived and work has already started on the project. The Union although never informed by government when these large projects are brought here, nevertheless heard about it and always on the look-out for employment for its members, sent some of them to the job site to seek employment. They all came back with the

same story, that the boss-man told them that they were only employing Italians whom they were bringing along with them. Even ordinary unskilled labourers were to be brought in.

The officer at the Union Headquarters could not believe this, as it was a complete reversal of the Labour Party's policy of investment by invitation. Formerly all investors were allowed to bring in technical assistance which was not available locally, but the entire work force comprised of locals. On investigation, the Union was unofficially informed that the Italians were supplying 85 percent of the funds for the project and one of the conditions was that they be allowed to supply 85 percent of everything including the work force.

This newspaper has always supported the government's policy of investment by foreigners, but recently we are having second thoughts on our investment policy, especially that in the Tourist Industry. We have seen our beaches being utilized mainly for the tourist with accustomed accesses to the beaches being closed to the public. We have noted the development of clubs with the notorious Proprietary Club Licenses in spite of the Prime Minister's utterances 30 years ago that "there will be no more Mill Reefs in Antigua." We have witnessed the St James Club advertising two private beaches inspite of our law which says that all our beaches are public. We have witnessed some hoteliers attempting to keep locals off "their" beaches. We understand that Club Mediterranean is scheduled to be built at Frys Bay. This would be more exclusive and luxurious than St James.

We are calling on the government to tread slowly or not at all in such form of development, unless the public is allowed complete access to our beaches and not just footpaths. We must be able to drive our cars up to the beaches and picnic there as we were accustomed to. We do not intend to be confined to 10 or 12 beaches which are earmarked National Parks and are assumed to be for use by the "Natives." Open access roads to government-owned lands and where the lands are privately owned acquired a strip and build roads for the public like you did to the black Antiguan up by Brown Bay, south of Bethesda. Do it now before an ugly incident takes place which can upset the island's tourism and therefore the entire economy. This newspaper appreciates the government's efforts to find employment for Antiguans and Barbudans, but not at any cost.

The ATLU considers this Deep Bay project policy as one of absolutely no benefit to the workers of this country and would warn government on embarking on such a dangerous precedent. Our workers must be employed on all projects brought to this country or else we are heading for trouble.

CSO: 3298/1039

ARGENTINA

OIL EXPLORATION DRAFT REGULATIONS PUBLISHED

Buenos Aires CRONISTA COMERCIAL in Spanish 31 May 85 pp 1-2

[Excerpts] Private companies that are awarded contracts for hydrocarbon production will be given a maximum term of 25 years for oil exploration, while Government Oil Deposits (YPF) may opt to form an association with them for this work, or under certain conditions, it may enter into direct contracts. This has been set forth in the decree that will soon be passed, to which EL CRONISTA COMERCIAL has gained access. The decree, the complete text of which appears in this edition, authorizes YPF to issue a call for international bidding for oil exploration and development in land and sea basins. The decree includes an annex with a model contract, and calls for a preliminary prospecting period, and describes the method required for paying contractors. Among other conditions of payment, it stipulates that in no case can payment be in the form of crude oil. Details on the price and form of payment for any gas that may be discovered in the new reserves have not yet been defined, however. Here is the text of the decree:

Article 1. Regulations are hereby established for Articles 2, 11 and 95 of Law 17,319, and Government Oil Deposits, State Corporation is hereby authorized to call for international public bidding and to sign contracts for the exploration and subsequent development of hydrocarbon deposits, in accordance with the provisions of this Decree and with respect to the areas the Executive Branch shall assign to it.

Article 2. In the contracts to be signed under the terms of this Decree, the contracting firms shall assume all risks inherent in hydrocarbon exploration, and shall agree to take exclusive responsibility for providing the technology, capital, equipment, machinery and other investments that may be necessary for the operations to be carried out in the area subject to the contract, within the context of the provisions of Article 8 herein.

Article 3. The contracting firms shall acquire no mining rights to the deposits that are discovered in the area of the contract, nor shall they, as a consequence, acquire control over the extracted hydrocarbons.

Article 4. The contracting firms shall, on behalf of Government Oil Deposits, State Corporation and with the latter's intervention, exercise the rights granted by the Mining Code in Articles 42 and following and 48

and following, and shall adhere to the provisions of both articles with respect to the government- or privately-owned real estate inside or outside the borders of the contract area.

All pertinent procedures shall be carried out through the Enforcement Authority and the jurisdictional mining authorities shall be apprised of any resolutions that may be adopted in this regard, as soon as it is appropriate.

The position of the owner when occupation actually takes place or the owner's disagreement with the compensation set forth shall in no case be sufficient cause to suspend or impede the authorized work, as long as the contracting firms satisfactorily guarantee compensation for any damages that may result.

When the area under contract is covered by sea, river, lagoon or lake water, the contracting firms shall in the same manner exercise the same rights with respect to the coastal lands or lands bordering said area or the coasts closest to said area, for the installation of docks, warehouses, offices, means of communication and transportation, and other facilities necessary for the proper execution of the work.

Article 5. The contracting firms, in addition to complying with the regulations issued by the Enforcement Authority, shall have the following obligations:

- a) to execute their work in accordance with the most rational, modern and efficient practices, in keeping with the nature and size of the reserves that are found, while at the same time ensuring the maximum hydrocarbon production compatible with the appropriate development of the deposit;
- b) to adopt the necessary measures to avoid any damage to the deposits as a result of the drilling, operation, preservation or abandonment of wells
- c) to avoid any waste of hydrocarbons, with the contracting firms assuming liability for any damages that may result;
- e) [as published] to adopt the necessary measures to prevent or minimize damages to agriculture and livestock, fishing, and communications activities, as well as to any water-bearing strata that may be discovered during drilling;
- f) to take necessary precautions to prevent the pollution of waters and adjacent coasts in operations that take place in the sea, in rivers or lakes;
- g) to adhere to the regulations issued by the agencies governing National and/or Provincial Parks when operations take place within their jurisdictions;
- h) to deliver to Government Oil Deposits, State Corporation, at the intervals stipulated in the contracts,--all technical documentation related

to basic information, studies or analyses conducted during the life of the contract, with the corresponding evaluations, whether or not any commercial discovery is made.

In all cases covered under this Article, the contracting firms shall adhere to generally accepted practices in hydrocarbon exploration and development.

Article 6. The contracts regulated by this Decree shall be signed only after a call for international public bidding has been issued, except in the cases set forth in the following Article.

Government Oil Deposits, State Corporation shall issue the specific regulations that will govern said bidding, pursuant to the guidelines established in this Decree and its Annex I, on the occasion of each call for International Public Bidding or Direct Contracting.

Article 7. Government Oil Deposits, State Corporation shall, in exceptional cases and by means of an evidential resolution, be authorized to enter into a direct contract, subject to the explicit ratification of the Executive Branch, in the following cases:

- a) when for reasons of urgency, special circumstances or economic and technical considerations, such action is deemed necessary;
- b) when international public bidding has taken place but no bids are tendered or the bids tendered do not conform to the bidding conditions; in such cases, direct contracting may take place up to 1 year after the date when international public bidding is declared void.

Article 8. All contracts signed as a consequence of the respective international public bidding or direct contracting regulated by this Decree, shall contain the following mandatory precautions:

a) a preliminary prospecting period that may encompass geological, geophysical, geochemical, photogeological and any other exploratory activities. It shall last up to three (3) years, and shall adhere to the classification of areas by Government Oil Deposits, State Corporation as a function of the associated costs and risks.

The contracting firms shall agree to undertake mandatory referentially-valued jobs, at the end of which they may opt to agree to the exploration period by means of the specific task of drilling wells [section illegible] return of the investment appropriate for the execution of each project;

--Government Oil Deposits, State Corporation's obligation to pay the contracting firms in proportion to that participation, the costs of drilling and finishing any test wells that may turn out to be commercially productive and be incorporated into the production of each development tract, as well as any such wells that may become necessary during the corresponding exploitation period;

--In case the contracting firms should discover, during the exploitation period of a development tract in which Government Oil Deposits, State Corporation has no association, new hydrocarbon reserves that are recoverable in amounts significantly greater than those taken into consideration when the tract was declared commercially viable, such circumstances shall be duly reported to Government Oil Deposits, State Corporation, so that it may have a peremptory period of economic-technical evaluation to exercise the option set forth in this Decree.

h) Retribution to the contracting firms: The retribution to be paid to the contracting firms for the volumes of hydrocarbons they extract from the contract area and deliver to Government Oil Deposits, State Corporation shall be determined after the latter has decided not to exercise its right to association, in the following manner:

--Liquid hydrocarbons: Retribution shall consist of a percentage of the equivalent international price of petroleum, FOB value, place of origin, to be delivered to the place stipulated by Government Oil Deposits, State Corporation. Said percentage shall be equal to the percentage it represents--the result of the exploitation--of the value of total production, as defined in Paragraph f) of this article;

--Natural gas: Retribution shall consist of a percentage calculated in the same way, of the transfer price that Government Oil Deposits, State Corporation receives from State Gas, State Corporation, for the sale of the gas;

--Natural gas: For each 1,000 cubic meters delivered to the site stipulated by Government Oil Deposits, State Corporation, retribution shall consist of percent [percentage not given] of the retribution established for each cubic meter of liquid hydrocarbons;

--Liquefied gas: For each metric ton delivered to the site stipulated by Government Oil Deposits, State Corporation, retribution shall consist of percent [percentage not given] of the retribution established for each cubic meter of liquid hydrocarbons.

When Government Oil Deposits, State Corporation has exercised its right to association, the contracting firms shall receive the percentage corresponding to the established prices, which shall be equal to the corresponding percentage of the value of the results of exploitation.

i) Form of Payment: The contracting firms' share of the hydrocarbons extracted and delivered to Government Oil Deposits, State Corporation shall be paid to them in Argentine currency and foreign exchange, in the proportions stipulated in the contracts.

Article 9. The contracting firms shall submit with their bids a guarantee that said bids will continue to conform to the terms and amounts specified in the respective calls for international public bidding.

It shall be mandatory for the call for international public bidding to be announced in the Official Bulletin for a period of five (5) days, no less than forty-five (45) days prior to the date set for the receipt of bids.

Without prejudice to the mandatory publication stipulated in this Article, the call for bidding may be disseminated in the places and by the means that are deemed appropriate to ensure the widest knowledge of same.

Article 10. Government Oil Deposits, State Corporation shall analyze all bids and shall be authorized to require that the bidder which has submitted the best proposal make the improvements it deems necessary to meet satisfactory conditions.

By means of an evidential resolution, Government Oil Deposits, State Corporation shall declare which bid is the most advantageous, and once the respective contract has been signed, shall send said contract through the corresponding channels to the Executive Branch so that it may be approved by decree.

Article 11. The contracting firms that sign contracts under the terms of this Decree shall be subject to the tax regulations that are generally enforced.

They shall pay each year, in advance, a rate for each square kilometer or fraction thereof covered by the contract, with the proceeds from such tax being used to defray the Enforcement Authority's costs for exercising police powers.

Said rate shall be set when each call for international public bidding is issued taking into account the characteristics of the areas subject to bidding.

Because of the exploratory risk assumed by the contracting firms in the contracts regulated by this Decree, as defined in Article 2, the provisions of Article 15 of Law 21,778 shall apply to them.

Article 12. In accordance with the methodology set forth for drafting the contracts regulated by this Decree, the provisions of Decree No. 3700/78 shall not apply to them.

Article 13. The bases for the "Bidding Conditions for the Exploration and Subsequent Exploitation of Hydrocarbons in Various Areas of the Republic of Argentina" and the "Draft Model Contract" which is part of said Conditions and included as Annex I of this Decree, are hereby approved. The Bidding Conditions and the Model Contract may be modified by Government Oil Deposits, State Corporation if technical, economic or legal considerations so warrant, pursuant to the guidelines set forth in this Decree. Justification for such modifications shall be presented when the respective contracts are sent to the Executive Branch for approval by decree.

Article 14. The Secretariat of Energy shall serve as the Enforcement Authority of this Decree.

[Section illegible]

b) A period of exploration

--that shall include mandatory drilling at least once a year, as stipulated by Government Oil Deposits, State Corporation in the bidding conditions;  
--that may authorize an additional period of up to two (2) years, at the sole discretion of Government Oil Deposits, State Corporation, when required for a better exploratory evaluation;

--in all cases, the terms shall run from the date when the contracting firms begin the exploratory period, by means of due notification of Government Oil Deposits, State Corporation.

c) A system for the partial return of areas shall be established, with specified terms and percentages. A special system may also be established to provide for the execution of more work than was originally agreed upon. The contracting firms shall have an obligation to return to Government Oil Deposits, State Corporation the remaining area under their control after the exploratory period expires, if no commercially viable hydrocarbon reserves have been discovered, without any subsequent rights or obligations accruing to either party.

d) A period of exploitation. If hydrocarbon deposits are discovered, the contracting firms shall have a period of one (1) year to evaluate and propose the declaration of commercial viability, without prejudice to the exploratory obligations pending in the rest of the area. Said period may be extended, at the sole discretion of Government Oil Deposits, State Corporation, for up to one (1) more year. After the commercial viability of a development tract is declared, the contracting firms shall have a period of up to twenty (20) years for each development lot to execute the development and production work. Said period shall begin on the date of the declaration, and the period corresponding to each development tract shall be separate from the others. If gas deposits are found, the Enforcement authority shall be authorized to require the prior development of the natural gas market and transport capacity as a condition for issuing the commercial viability declaration.

In the case referred to in the above paragraph, the Executive Branch may, under terms that it shall stipulate at the appropriate time, authorize the contracting firms to develop such deposits if they agree to carry out all necessary investments to proceed with the processing of said gas in this country, with all risks being assumed by them exclusively.

In any case of the development of gas deposits, the corresponding declaration of commercial viability shall not be suspended for more than ten (10) years, beginning on the date when the exploratory period expires.

If Government Oil Deposits, State Corporation deems it technically and economically justified, the period of exploitation may be extended to the extent that proven reserves are subsequently increased in each development tract, with the use of techniques to recover more of the reserves.

In all development tracts that have been declared commercially viable before the exploration period has expired, the unused portion of the latter may be added to the term of the period of exploitation.

The total duration of the period of exploitation in the contract area may not exceed twenty-five (25) years, beginning with the expiration of the exploratory period.

After the period of exploitation has ended, the contracting firms shall return the contract area and all fixed facilities, as well as such facilities as are necessary to maintain the area in the operational conditions prevailing at that time, to Government Oil Deposits, State Corporation at no cost.

e) Guarantees: The guarantees that the contracting firms must provide to ensure completion of the work agreed upon shall be established, as shall the form in which restitution shall take place, as the investment is executed.

Said guarantees shall be established within the period set forth in the contracts.

In addition, clauses ensuring compliance shall be included in the contract, which shall stipulate penalties, including rescission under specified conditions.

f) Royalties, Contractual Rate, Result of Exploitation: On the basis of the value of the total production extracted from the contract area and delivered to Government Oil Deposits, State Corporation, the following payments shall be made:

--A royalty of twelve percent (12%) payable to the National Government;

--The determination of a percentage which shall fall between eight percent (8%) and eighteen percent (18%), on the occasion of the call for international public bidding for each area, payable to Government Oil Deposits, State Corporation, in the form of a contractual rate, in recognition of the following: the rights set forth in Law 17,319, the appraisal of the prospecting and exploration carried out before the term of the contract, and the nature of the risks and costs associated with exploration in the area in question.

The remaining percentage of the value of total production shall constitute the result of the exploitation, and shall be the only retribution the contracting firms shall receive, except when Government Oil Deposits, State Corporation exercises its right to association during the period of exploitation.

g) Association: An association system shall be established at the sole discretion of Government Oil Deposits, State Corporation for the exploitation period of all development tracts. Such system shall necessarily include the following terms:

---Government Oil Deposits, State Corporation shall exercise its association option at the time it accepts the request for a declaration of commercial viability corresponding to each development tract;

--the possibility of exercising said option shall be assessed as a function of the technical-economic studies on which said decision is based and of the percentage of participation to be determined in accordance with the [word illegible] of the recoverable reserves in the exploitation.

8926

CSO: 8048/2028

BAHAMAS

## PLP, FNM OFFICIALS CONTINUE ACRIMONIOUS EXCHANGES

### McWeeney Attack on FNM

Freeport THE FREEPORT NEWS in English 26 Aug 85 p 5

**[Excerpt]** NASSAU — Answering remarks made to the effect that Prime Minister Sir Lynden Pindling is using the queen to help him retain his seat in Andros, national chairman of the Progressive Liberal Party, Sean McWeeney, declared at a meeting of the combined women's branches of the party, Friday night, that, leader of the Official Opposition Kendal G. L. Isaacs has retreated from the serious to the comic, because the Free National Movement's political agenda is exhausted.

He said that the opposition party's game is up ... it has nothing more to do and nothing more to say ... the only thing left to do is what they doing ... that is cracking jokes.

Mr. McWeeney, a government senator, said that he detected a blend of hysteria, a little dash of panic and more than a little dose of desperation, because, "the FNM has a big, big problem."

The senator told the large audience of mostly women (some male party officials including parliamentarians were also in attendance), that the remarks made on Tuesday night at an FNM district meeting in the Fox Hill constituency, by Mr. Isaacs, spelled out the opposition's problem.

Mr. Isaacs had told a sparse gathering that Prime Minister Sir Lynden Pindling has plans to use Queen Elizabeth to assist him in winning his seat in Andros in the next general elections.

The PLP chairman, said that Mr. Isaacs' remarks had earned for him the title of "king of comedy." He spoke of Mr. Isaacs as a new comic in town. "He made his debut, and it was a most spectacular and hilarious debut ... in the constituency of Fox Hill. Already Bahamians are dubbing him as the new king of comedy," Mr. McWeeney said.

"I always knew and I believe you always knew that he was naive, that he was ... lacklustre, lacking in depth," Mr. McWeeney said of the parliamentarian for the Delaporte Constituency and a Q.C.

McWeeney, a young attorney, continued that the statements by Mr. Isaacs on Tuesday night, revealed that "He has after all a gift for humour."

Mr. McWeeney referred to Isaacs' statements as the biggest joke in Bahamian political life. "A great crack .... the great joke that he uttered at the meeting in Fox Hill." He said the joke was that the Prime Minister would go to the trouble to get the queen to help him in Andros.

"To believe that he would pick on Andros, the constituency in which the PLP has consistently run at voting margins of between 85 and 90 per cent, to crack such a joke as that," Mr. McWeeney said.

McWeeney told the Gambier House audience that the FNM are broke. He said that their traditional backers are the Bay

Street Boys, and the one thing you don't bother with is their queen. He said the FNM announced that they intend to show disrespect to the sovereign when she comes here...running up and down in demonstrations.

He said that the second aspect is something that Pierre Dupuch, representative for Shirlea (FNM) touched on while taking part in a panel discussion at the recent Torchbearers Convention. He said that Mr. Dupuch expressed frustration over the very great number of their traditional backers who have said how satisfied they are at the great progress this country has attained under the PLP, and more particularly, the great progress this country has attained under the Minister of Finance, Prime Minister Sir Lynden Pindling.

Mr. McWeeney said that the Free National Movement has run out of steam because they are bankrupt of ideas and they have become destitute of options and as a result of this, their supporters have lost confidence in them because their supporters know better than any PLP that the FNM cannot and have not delivered on a single promise. He said that they have promised one D-Day after another and delivered on none of them.

Senator McWeeney added that the FNM continue to be paralyzed, and is now paralyzed more than ever by internal divisions over leadership. He said part of the problem is the absence of a single leader in the FNM.

He said that Cecil Whitfield gave an interview to Fred Mitchell (published in the **Nasau Guardian**), and he said that the FNM has no single leader, that they are all leaders, that Mr. Isaacs is only "the first among equals."

And he said that two weeks ago in the **Tribune**, it was not Mr. Isaacs who challenged the leader of the Progressive Liberal Party to a debate, it was Mr. Wallace Whitfield who said he wanted to have a debate with the Prime Minister.

The senator said that he was surprised that Mr. Whitfield

would have the audacity to publicly embarrass his leader by jumping the gun on him like that.

PLP Action Group's Plans

Nassau THE TRIBUNE in English 26 Aug 85 p 1

[Article by Anthony Forbes]

[Text]

THE ACTION Group of the official opposition Free National Movement announced today that it has "emerged" from its inactivity and has drawn up plans which will lead to the downfall of the ruling Progressive Liberal Party Government.

Chairman George Wilson told a press conference this morning that the Action Group was given a "resounding ovation and endorsement" at a recent FNM conclave, which also charged the organization with intensifying its efforts in the Black Belt seats of New Providence and the Family Islands.

He said that the Action Group "accepts totally and endorses" FNM National Chairman Cecil Wallace Whitfield's call for a more militant and aggressive party.

"Many of the public would have noted that over the past few months the Action Group has seemed somewhat inactive during the period immediately following the destruction of our regional headquarters," Mr Wilson said.

"The destruction of our regional headquarters by persons yet unknown, proved to be a catastrophic event which was successful in upsetting Action Group plans and destroying the momentum that we were building during this time," he said.

"You would recall too, that shortly after this event, our party was called into conclave at the South Ocean Beach Hotel, where the Action Group was given a resounding ovation and endorsement by party members assembled in conclave and also charged by our party to intensify our efforts in the Black Belt seats of New Providence and the Family Islands," he said.

"In fact," Mr Wilson said, "the view was expressed that were the Action Group's presence to be

felt in every constituency and every forum of this country, it would spell the doom of the PLP."

"I wish to announce today that the Action Group has emerged from our hiatus having had the opportunity to philosophically evaluate our prospective in view of the nation's pressing needs and to draw up plans that will lead to the downfall of this wicked PLP regime," Mr Wilson said.

The Action Group Chairman also thanked the generous public that "put its money where its mouth was" and provided the assistance that was needed to re-establish its regional headquarters and purchase a new sound system.

"The Bahamas of today stands on the abyss of destruction, in spite of all of the prophesying of the great false prophet, Lynden Oscar Pindling," Mr Wilson said.

"This must be the sad and inescapable conclusion of not only the Action Group, the Free National Movement and politicians opposed to the Pindling Government, but also of every decent and right thinking Bahamian aware of what has transpired in our nation over the past two years culminating with the report of the recent Commission of Inquiry," he said.

Mr Wilson also charged that the PLP "has closed down the Commission of Inquiry" and has returned offering this country a Government with integrity with Pindling, Nottage, Smith and Bannister."

"Today while we stand horrified at the human destruction in our land wrought by cocaine and marijuana, certain politicians who profited from and resultingly facilitated in this horrible trade, rave in public places against its use," Mr Wilson said.

"Today when more Bahamians than ever are slipping below the poverty line, this Government was cold enough to increase hospital fees by over 1000 per cent.

"Today while so many Bahamian sons and daughters are going to jail for drugs, the sons and daughters of Cabinet Ministers are granted absolute discharges," Mr Wilson said.

He recalled that a few weeks back, FNM Chairman Cecil Wallace Whitfield, MP for Pine Ridge, Grand Bahama, issued a militant call that FNMs need to become more charged, more militant to rid the Bahamas of the corrupt Pindling Government.

"We accept totally and endorse our Chairman's call for a more militant and aggressive party and today we begin our militant march to remove this malignant PLP Government and its leadership that stupidly asserts that miraculous things will happen on Andros, once Her Majesty the Queen, sets foot there," he said.

He noted that former US President Abraham Lincoln said shortly before the American Civil War that "no nation can long survive, half slave and half free."

He further pointed out that South African President Pieter Botha is now beginning to realize this terrible fact "and it is a fact that Lynden Pindling will also come to realize."

"No amount of money he spends to hoodwink foreign Commonwealth heads, will erase the economic situation that exists west of Collins Wall, just as it will not erase the scathing condemnation of him and his government by the recent Commission of Inquiry," Mr Wilson said.

"The Bahamian people will see the PLP spending millions of dollars on roads where visiting heads of government will ride as well as the leaky and dilapidated schools that our children will be herded into next week," he said.

Mr Wilson said the Action Group's militant opposition to the Pindling Government will be based on the following statements of the Prime Minister himself and senior PLP Cabinet Ministers:

Prime Minister Sir Lynden Pindling's pledged: To destroy the FNM by 1987; to destroy the middle class following the 1982 election campaign; and the FNM must draw back or draw blood.

Tourism and Foreign Affairs Minister Clement Maynard's statement: We ga take care of PLP's first, everybody else come after that.

"In no civilized nation of the world today, needless to say within the Westminster system, would statements like these of senior government leaders be tolerated," Mr Wilson said. "These are the statements of power-hungry maniacs, and must be treated as such."

CSO: 3298/1028

BAHAMAS

AGREEMENT ON IMMIGRATION, ALIENS SIGNED WITH HAITI

Alien-Roundup Rumors

Nassau THE TRIBUNE in English 31 Aug 85 p 1

[Excerpts]

A SEARCH and repatriation drive is expected to take shape following next week's scheduled signing of an agreement between the Bahamas and Haitian governments.

The signing is to take place in Haiti.

It is understood that the Ministry of National Security, headed by Loftus Roker, has recently tightened up on work permit renewals and that Prime Minister Pindling and his wife have tried unsuccessfully to get permits for two labourers to work at their multi-million dollar mansion.

The Sawyer & Key Farm in Abaco is being held up over the approval of 400-500 permits for Haitian labour.

In Marsh Harbour where there is a large Haitian population, rumours are circulating that a crackdown of illegal aliens is in the wind.

"The Haitians have become scarce," a Marsh Harbour businessman said. "There's a rumour out that they will start picking them up next week."

Representatives from both governments met in Nassau on January to work out an agreement aimed at eliminating problems created by the presence of illegal immigrants, repatriation methods and regularising the status of nationals.

It was announced in January that the agreement would be signed three months later.

While it is generally recognized that the growing presence of Haitians is a strain on the social system, the Government has often been criticised for the methods it uses to round them up.

It has been reported on several occasions that Haitians, who entered the country illegally, have been held in overcrowded prison cells for months before they are granted a court hearing.

Loftus Roker, who became Minister of National Security last October, has a reputation in political circles of being a hardliner on the Haitian problem. Immigration matters fall under his Ministry.

### Intragovernment Feud

Nassau THE TRIBUNE in English 4 Sep 85 p 1

[Article by Athena Damianos]

[Excerpts]

THE Ministry of National Security "commandered" an Abaco school from the Ministry of Education and turned it into a Haitian detention centre over the weekend.

The action was labelled "stupid" by Education Minister and Attorney General Paul Adderley.

Informed sources said that Mr Adderley was upset with Loftus Roker, Minister of National Security, who, it is understood, he blames for the incident.

The Defence Ministry began rounding up Haitians for repatriation before an agreement on the matter was signed Tuesday between the Bahamas and Haitian governments.

Immigration apparently took control of the Cooper's Town school without the permission of the Ministry of Education. Immigration falls under Mr Roker's portfolio.

Mr Adderley was not available to The Tribune for comment this morning.

However, he told the morning paper he wanted to make it perfectly clear that he was not "taking the can for anybody who takes it upon themselves to act in such a stupid action." He said he threatened to free the Haitians if officials did not remove them from the school building.

Tribune sources said that Mr Adderley was extremely agitated and annoyed about what happened over the weekend.

Although Foreign Affairs Minister Clement Maynard signed a bilateral agreement with Haiti Tuesday which deals with repatriation, the Bahamas Government as of lunchtime had not made the news public. It is understood that a statement will be made later today.

The Tribune broke the news of the impending signing and repatriation drive Saturday when it reported that the Prime Minister and Lady Pindling were unable to get permits for two Haitian labourers.

Since then, persons have telephoned The Tribune to report that plain clothed officers have been rounding up Haitians in the Carmichael Road area.

Since he was transferred to National Security last December, Mr Roker has adopted a hardline attitude towards Haitians.

In January, The Tribune reported that Mr Roker offended a high-powered Haitian delegation which was in Nassau to negotiate the agreement signed Tuesday.

According to informed sources, Mr Roker displayed a "hardline, uncompromising and offensively patronizing" attitude towards the delegation, headed by Foreign Minister Jean-Robert Estime.

It was reported that talks would have collapsed had it not been for the diplomacy of Bahamian Foreign Minister Clement Maynard.

Said Serge E Charles, the Haitian Ambassador to the Bahamas, at the time described Mr Roker as "a tough man who gets right to the point. He's not a diplomat." However, Mr Charles denied the delegation was offended.

The Tribune reported that Mr Roker, within earshot of the delegation, told Mr Maynard that "he was not attending any...for any Haitians and if Minister Maynard wanted to go and eat their...food and drink their...liquor, he was free to do so."

## FNM Statement

Nassau THE TRIBUNE in English 6 Sep 85 p 1

[Text]

THE FNM today threw its support behind the newly signed agreement between Haiti and the Bahamas, but was deeply concerned about published reports of inhumane and ill treatment meted out to Haitians who are being rounded up presumably for imprisonment and deportation.

Government has yet to make a statement on the agreement, which was signed Tuesday. A statement was prepared Wednesday, but has not been made public. The agreement deals with repatriation, among other things.

Said the FNM:

"Although the Government has not yet announced details of its agreement with the Haitian Government for the repatriation of Haitian nationals who are in the Bahamas illegally, the Free National Movement supports the idea of such an agreement.

"However, we are deeply concerned about published reports of inhumane and ill treatment meted out to Haitians who are being rounded up presumably for incarceration then departure.

"Persons who are taken into custody are entitled to be treated properly whether or not they are here illegally. Proper arrangements must be made in advance for housing, feeding and transporting them, and their belongings should be properly secured.

"The Bahamas is supposed to be a member of the civilized community of nations who subscribe to the inviolability of certain basic human rights and acceptable standards of treatment for human beings.

"Bahamians are at the present time joining with other fair-minded people around the world who are condemning the evil system of apartheid as practised in South Africa against the black majority.

"Those who shout loudest about South Africa should speak up now about the inhumane treatment being handed out to Haitians in the Bahamas."

Otherwise, their protestations will be exposed as nothing more than gross hypocrisy.

"We refer to the Haitians who were arrested in Abaco and those who were allowed to remain stranded on a barren cay in the Bahamas for more than three weeks without shelter from the weather.

"In the case of Abaco we are astonished that the Cabinet member responsible for education, Mr Paul L Adderley knew nothing about the commandeering of school rooms presumably by the Ministry of National Security.

"Mr Adderley has referred to this incident as stupid and we agree with him. The question is, of course: What kind of Government is now running the country? Do not the PLP Ministers speak to one another? Does not the scrap gang Cabinet meet to co-ordinate and carry out the business of the nation? It is frightening to think that the rest of the country's affairs are being conducted in this fashion.

"We recall the boast by Prime Minister Sir Lynden Pindling after the Cabinet upheaval some months ago. According to him, Cabinet meetings after the blow-up were shorter and more productive. We have no doubt that they are shorter but we have grave doubts about how productive the Cabinet is and what it is producing.

"With regard to the Haitians who were left stranded at Flamingo Cay, we condemn the Government without reservation for having allowed those people, including pregnant women, to be abandoned for so long.

"We also warn the Government and its relevant agencies to be very careful, while rounding up persons they perceive to be Haitians, that they do not infringe on the Constitutional rights of persons who are Bahamians or who have legal and moral status in the Bahamas."

BAHAMAS

## IDB FORECASTS CONTINUING GROWTH IN NATION'S ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 18 Sep 85 p 15

[Text]

BRIDGETOWN, Tues., (Cana):

The INTER-AMERICAN Development Bank (IDB) has predicted continued economic growth in the Bahamas to follow a three per cent expansion in the island's economy in 1984.

The IDB's assessment is contained in its 1985 report titled Economic and Social Progress in Latin America -- a 441-page document detailing economic and social developments in IDB member countries in the hemisphere.

Strong growth in construction and agriculture spurred the three per cent expansion in 1984, said the IDB. Tourism, contributing US \$800 million in revenue last year, was once more the most important economic sector.

But the industry did not lead the growth, in contrast to previous years. ...Preliminary data suggest that in 1984, the strong performance of the construction industry was the leader, the IDB added.

The outlook for the Bahamian economy for 1985 was for more growth. With the United States poised for another year of economic expansion, Bahamian tourism can expect to benefit from the ensuing increase in American foreign travels, it said.

The IDB also predicted improved agricultural production during the year, and added that over the next ten years, an additional 20,000 acres of land will be brought under fruit farming.

### FURTHER ADVANCES

Further advances were also expected in food processing and preservation.

Bahamian Government revenue was also expected to increase following a series of measures recently announced, including increases in airport landing fees and gasoline tax.

The IDB predicted that these increases should offset pay increases for civil servants, general cost escalation and debt payments.

The bank described the goals of the Bahamian Government economic policies as being economic growth and diversification.

Reviewing 1984 performance of the Bahamian economy, the IDB noted that manufacturing appears to have shown no significant real growth since 1980.

Both the oil refinery and the cement plant -- the two most important industries in this sector -- operated below full capacity, in response to weak market conditions.

CSO: 3298/1028

BAHAMAS

FNM RAPS GOVERNMENT FAILURE TO FUND DRUG COUNCIL

Nassau THE TRIBUNE in English 30 Aug 85 p 1

[Article by Anthony Forbes]

[Excerpt] **THE National Drug Council has to survive on private contributions while Government is spending \$15 to \$20 million on the Commonwealth Heads of Government Conference and the Royal Visit to "polish" up its image, Official Opposition Leader Kendall Isaacs charged Thursday night.**

According to Mr Isaacs, MP for Delaporte, although drug trafficking and drug abuse are two of the great scourges in the country today, the Government has given very little, if any money to the National Drug Council, headed by psychiatrist Dr David Allen.

The Opposition Leader was addressing a Free National Movement Community Forum meeting at a park on Havard Street, Chippingham, in the Fort Charlotte Constituency.

"We want to see the end of drug trafficking and drug abuse, but you know while I am on that subject of drug trafficking and drug abuse, the Government appointed a Drug Council to look into and to do something about the drug abuse in this country," Mr Isaacs told the sparse gathering.

"But you know, they have not given that Council any money, or I may be wrong but it was not very much money to speak of, although drug trafficking and drug abuse are the great scourges of this country and you think that the Govern-

ment would think seriously about doing something about it," he said.

"But yet that Drug Council which is supposed to eradicate drug abuse has to survive by private contributions," Mr Isaacs said.

The National Drug Council was appointed by Government last year following recommendations made by the National Drug Task Force, which studied the drug problem in the Bahamas and submitted a report to Government in July, 1984.

16 October 1985

## BAHAMAS

## BRIEFS

QUEEN'S VISIT--Her Majesty Queen Elizabeth II will pay her longest visit to the Bahamas when she arrives here 11 October for the Commonwealth Heads of Government Conference. The Queen, who will be joined in Nassau by Prince Philip, will spend eight days here, Bahamas Information Services has announced. Although a detailed programme of Her Majesty's visit will not be released until late in September, the Cabinet Office has announced that there will be a brief welcoming ceremony at Nassau International Airport upon the Queen's arrival on 11 October. [Excerpt] [Nassau THE TRIBUNE in English 29 Aug 85 p 1]

INDIAN AMBASSADOR--The minister of foreign affairs has announced that His Excellency Mr Kayatyani Shankar Bajpai has been accredited to the Bahamas as non-resident High Commissioner of India with residence at Washington, DC, USA, with effect from 24 September, to succeed His Excellency Mr Kocharil Ramon Narayanan who has been recalled. [Excerpt] [Nassau THE TRIBUNE in English 5 Sep 85 p 8]

POLICE OFFICIAL'S DISMISSAL--Police Assistant Commissioner Howard Smith was Monday discharged from the Police Force without benefits. Once a highly respected member of the force, Mr Smith was found by the Commission of Inquiry to have corruptly accepted bribes from known drug traffickers. The Commission also recommended that the Attorney General review the evidence relating to him "to determine what further action may be appropriate in the circumstances. While Mr Bartlett declined to give the reason for Mr Smith's discharge, THE TRIBUNE confirmed from other sources that the action stems from evidence surfacing before the Commission of Inquiry. [Excerpts] [Nassau THE TRIBUNE in English 28 Aug 85 p 1]

NEW BREWERY--Three Bahamian liquor companies have joined with Heineken to build a \$15 million brewery at Clifton Pier. Workmen are presently laying the foundation to Commonwealth Breweries Ltd--the Bahamas' second beer factory. Construction is expected to take about 15 months. United Construction has been awarded the contract to build the brewery. Once in full production, the factory is expected to employ between 75 and 100 Bahamians. Commonwealth intends to brew three beers--Heineken, Guinness and a Bahamian brew with a Beck's type flavour--for local consumption. The Bahamas is one of the highest, if not the highest, beer consumers of non-producing countries with an annual consumption of over 2 million cases. It is understood that Heineken was attracted to the Bahamas because of this. It is anticipated that once Commonwealth can prove it has a superior product, the brewery will tap the Florida beer market. It will probably be several years before it starts exporting. [Excerpts] [Nassau THE TRIBUNE in English 3 Sep 85 p 1]

NEW PERMANENT SECRETARY--Mrs (Vilma Thompson) is now permanent secretary in the Ministry of Transport. [Excerpt] [Nassau Domestic Service in English 1200 GMT 12 Sep 85 FL]

CSO: 3298/1029

BARBADOS

BARROW PINPOINTS ISSUES IN ADDRESS TO DLP CONFERENCE

Stand on Debt

FL302120 Bridgetown BARBADOS ADVOCATE in English 26 Aug 85 p 1

[Text] In his first public comment on his controversial trip to Cuba earlier this month to attend a conference on international debt repayment, opposition leader Mr Errol Barrow has said he has no intention of supporting calls for the non-repayment of debts owed by Latin American and Caribbean countries.

In his address to the 30th annual conference of the Democratic Labour Party yesterday at the auditorium on George Street, Mr Barrow said that it was an over-simplification to suggest that the Havana conference was a conspiracy to repudiate the debts incurred in Third World countries, "although it is clear that many of them simply cannot pay."

He added: "Since I had personal views that may have distressed some of the delegates or the hosts of the meeting, I refrained from expressing my opinions before that pluralistic gathering but contended myself with the role of keeping order at the session at which I was invited to be chairman."

The opposition leader told his appreciative audience that it was clearly not in the interest of Barbados to proclaim that all debts should be repudiated since the island was both creditor and debtor. "We are in dire need of the Bds\$130 million owed to us either by the Caribbean Multilateral Clearing Facility or the Government of Guyana or by both," Mr Barrow declared.

He noted that when the DLP "peacefully turned over the government in September 1986" the total external debt of Barbados was \$49.1 million and the national debt was \$258 million.

"I have no intention of repudiating that debt because we have a hospital, Deep Water Harbour, many schools, the Caribbean Development Bank, our share of University of the West Indies capital cost, the East Coast Road, the Pine Hill Dairy and other physical productive assets to show for it," Mr Barrow said.

He stated that today Barbados had external debts of \$457 million and a total national debt of \$1 million, which required a debt service charge of \$105 million out of revenue this year as compared with \$19 million in 1976.

Regarding his party's position on debt repayment, Mr Barrow said: "A serious examination of the debt problem therefore is required before we are plunged into a depression more serious than that which afflicted us from 1929 onwards.

"There is no single simplistic solution. But I can say here and now that the friendly governments such as Canada and the international institutions who mainly assisted with worthwhile projects have nothing to be apprehensive over the good sense of responsibility of the DLP."

Mr Barrow said that each debtor country must decide the approach which will do the least damage to its economy, although he added that in the first place some of the debt should never have been incurred at all. "Governments and bankers negotiated the debts. People and tax payers from here to eternity are being called upon to repay.

"Many Latin American Governments were sold and sometimes bribed by money lenders to incur debts which although they may have fattened the pockets of the bankers and their lawyers have done nothing to increase the productive capacities of the borrowing countries or to improve the general well-being of the citizens. Governments borrow, people repay," Mr Barrow said.

#### Attack on Unemployment

FL261831 Bridgetown CANA in English 2305 GMT 25 Aug 85

[Excerpt] Bridgetown, 25 Aug (CANA)--Leader of the main opposition Democratic Labour Party (DLP) Errol Barrow today attacked government's policies on borrowing and unemployment as the party held its annual conference.

Barrow, a British-trained economist and former prime minister, said: It is... a matter of top priority that the Democratic Labour Party take urgent effective measures to set (correct) the people to work again.

The DLP president's address was loudly cheered by the capacity gathering at the party headquarters just outside Bridgetown. The DLP, preparing for general elections due within a year, is celebrating its 30th anniversary.

Barrow said: Unemployed and destitute persons are a threat in many ways to the stability of this or any society. A person with a job is a free person. A person without a job becomes cynical after a time and does not consider that he owes the society the responsible disposition of his voting power.

That is why all of us must work primarily to eradicate the scourge of unemployment. We can take no political satisfaction that unemployment in this country, under the present regime, is at a dangerously high level, former Finance Minister Barrow said.

One of the 21 resolutions presented to the conference says the government has failed to initiate programmes which would provide permanent employment, especially for the young.

CSO: 3298/1013

BARBADOS

ST JOHN STATE-OF-NATION ADDRESS FOCUSES ON ECONOMY

FL021548 Bridgetown CANA in English 2128 GMT 1 Sep 85

[By Reudon Eversley]

[Text] Bridgetown, 1 Sep (CANA)--Prime Minister Bernard St John today warned Barbadians their standard of living would fall unless the key economic sectors--tourism and manufacturing--were competitive.

St John's comment on the standard of living followed a second quarter economic slowdown that caused the Central Bank to revise the 1985 growth projection from two to one percent.

It came as the prime minister delivered a state of the nation address in which he appeared to rule out a general election being called this year by his Barbados Labour Party (BLP), in power since 2 September 1976.

St John, who assumed leadership of the government and the BLP on the sudden death of Tom Adams last 11 March, told supporters at a picnic organised as part of the ninth anniversary celebrations that the BLP's record in government under Adams' leadership was one which should make supporters outstandingly proud. He declared: I have only just started. I want my time too in 1986.

Looking at prospects for the economy in the light of prevailing difficulties, St John said the only way Barbados can maintain current living standards was through being competitive in key sectors, namely tourism and manufacturing, and a commitment to work on the part of nationals.

Don't let us fool ourselves. The only way we can maintain the standard of living that we have in Barbados today is if our people understand that no one owes us a living, he said.

We have to work, we have to think, and we have to act. The world today is not a place for people who think that other people are going to give them a standard of living, he added.

St John said a current slowdown in the tourism sector stemmed largely from the fact that the Barbados dollar was pegged to a strong U.S. dollar, thereby opening up the island to stiff competition from other destinations where there had been devaluations of the national currencies in relation to the U.S. dollar.

But he forecast that despite this problem, at least 370,000 visitors would come here this year and the 1985 winter season will turn out to be better than last year's.

He said the main benefit of keeping the value of the Barbados dollar constant against the strong U.S. dollar was in the keeping down the cost of living, with inflation up to July running at 1.3 percent--the lowest level in the Caribbean, he said.

St John described the current 19.3 percent unemployment rate as unsatisfactory. He said the figure was 22 percent in 1975 under the former Democratic Labour Party (DLP) government.

He pledged continued government support for the ailing sugar industry which will be debated in parliament shortly. In view of the non-viability of sugar as a major export today, St John said the aim of government support was to safeguard the 5,000 jobs in the industry. He urged sugar producers to diversify production by planting other crops with export potential.

CSO: 3298/1013

BARBADOS

CENTRAL BANK REPORTS TRADE SURPLUS, INCREASE IN DEBT

Balance of Payments Status

FL021506 Bridgetown CANA in English 1654 GMT 1 Sep 85

[Text] Bridgetown, 1 Sep (CANA)--Barbados last year recorded a 24 million dollar (one Bds dollar : 50 cents U.S.) balance of payments surplus, ending a long-running deficit, according to the BARBADOS ADVOCATE newspaper. The paper said the surplus was the first in over 20 years. The good showing, it said, was reported by the Central Bank of Barbados.

The Central Bank in its just-released summary of statistics said that a 65-million-dollar surge for 1984, over 1983, in the island's invisible exports, caused largely by a rapid rise in tourism receipts, was mainly responsible for the surplus.

It also noted that exports were boosted by higher earnings from sugar and electronic components, while at the same time imports were sluggish, causing the merchandise trade deficit to narrow.

The decline in the trade deficit was 60 million dollars, the result of the rapid export growth and little movement in imports.

Exports expanded by almost one quarter on the strength of a 26-percent rise in sales of electronic components and a 15-percent increase in sugar receipts.

The summary stated that sales of electronic components, which had risen by 57 and 118 percent in 1982 and 1983 respectively, continued to benefit from the strong demand for these items in the United States.

Even though average sugar prices fell in 1984, it was noted, output rose moderately, allowing earnings to reach 64 million dollars.

Imports were said to have risen by a mere six percent, reflecting in the main higher purchases of raw materials for the manufacture of electronic components.

Consumer reports fell as consumers reduced spending on motor cars and other durables. Imports of capital goods were also lower since there was little new investment and the construction sector remained depressed.

For tourism, the bright spot of the Barbadian economy, arrivals grew by 12 percent to reach 368,000, nearing the record level of 1980. This large increase in arrivals boosted gross earnings by 13 percent, the first growth of any substance in four years. U.S. visitor arrivals rose by 23 percent and this group now accounts for about one-third of all tourists since 1982.

The statistics also show that Barbadians traveling abroad on vacation and business spent 46 million dollars--a little more than the 43 million of 1983, but some 6 million less than the record 52 million of 1982.

The Central Bank said that other factors responsible for the favourable balance of payments position during 1984 were the 50 percent increase in inflows of funds to cover local operating expenses of additional diplomatic and other foreign representatives located in Barbados; a 17-percent increase in earnings by seamen, farm workers and other Barbadians working abroad; and increased net inflows for management fees, agents' commissions and communications for the increasing sophisticated service sectors.

#### Gain in National Debt

FK050104 Bridgetown CANA in English 2112 GMT 4 Sep 85

[Text] Bridgetown, 4 Sep (CANA)--News that the Barbadian economy is not holding up as well as expected under the pressure of deteriorating world economic conditions has sparked the inevitable debate between government and opposition over management of the economy.

The Central Bank itself fired the first shot in the debate, announcing that it was slashing early projections of two percent economic growth this year, revising them downward to one percent.

Three days later, official statistics put unemployment past the 19 percent mark, and apparently headed steadily towards the 20 percent level.

The Central Bank this week also reported that the island's national debt reached Bds 993 million at the end of June, nearly ten percent higher than it was in June last year.

The opposition Democratic Labour Party (DLP) has lost no time capitalising on this depressing round of economic news to denounce government policies and offer its own alternatives.

DLP leader and former Prime Minister Errol Barrow used his party's annual conference at the end of August as his forum for setting out his own views on the subject of the Barbadian economy.

Barrow took aim at unemployment, expected to be the number one issue in the general elections due a year from this month at the latest.

It is ... a matter of top priority that the Democratic Labour Party take urgent effective measures to set the people to work again ... all of us must work primarily to eradicate the scourge of unemployment. We can take no political satisfaction that unemployment in this country under the present regime is at a dangerously high level, Barrow told the annual conference.

But Labour Minister Delisle Bradshaw said there would be no crash programmes to relieve unemployment. Bradshaw said government will not go for any ad hoc planning just for political gain, but it would engage in long-term programmes to give people a secure job.

The Barbados SUNDAY SUN promptly wondered what was really in store from the government. If no crash jobs, then some jobs. That now appears to be the cry of many of them (youths) who see little hope for relief, said the SUN in a column compiled by its staff.

University of the West Indies economist Dr Frank Alleyne outlined his opinions for a solution to the problems when he addressed the annual conference of the powerful Barbados Workers Union.

Alleyne criticized current policies and said dealing with unemployment required enlightened statesmanship by decision-makers and the population.

He saw the solution to the problem in greater fiscal discipline, more selectivity in imports, restructuring of agriculture, and a re-examination of utility rates. Barrow, in a presentation to party faithfuls at the end of July, also alluded to utility rates, declaring that a reduction in energy rates was necessary to boost business in Barbados.

There must be an easing of taxes, levies, duties, fees, and so forth which are stiffling businesses, said Barrow.

Prime Minister Bernard St John also joined in the debate, putting the responsibility for preserving the economic standards of the country squarely on the shoulders of its workers.

St John told party supporters on 1 September that maintenance of Barbados' relatively high-living standards depended on Barbadians themselves. We have to work, we have to think and we have to act. The world today is not a place for people who think that other people are going to give them a standard of living, St John declared.

The Central Bank put most of the blame for the poor showing of the economy on external factors. Americans taking advantage of the strength of the U.S. dollar were visiting Europe rather than the Caribbean and this contributed to the falloff in local tourism.

Manufacturing suffered continued weakness of the Caribbean Community (Caricom) market and from the worldwide recession in the electronics market.

The one bright spot in the economy was crude oil and natural gas production. Crude oil output exceeded 337,000 barrels by the end of the second quarter this year, some 11 percent higher than for the same period in 1984. By year end, the bank predicted, Barbados will be producing 55 percent of its crude oil requirements. Natural gas sales rose nearly 22 percent to reach 6.7 million cubic meters, the bank added.

CSO: 3298/1013

BARBADOS

BLP NAMES GODDARD TO OPPOSE DLP'S HAYNES FOR PARLIAMENT

Bridgetown DAILY NATION in English 1 Aug 85 p 1

[Text]

PHILIP GODDARD was nominated unopposed last night to contest the next general election for the ruling Barbados Labour Party (BLP), after Senator June Clarke dropped out of the race.

Mr. Goddard promised supporters that the campaign would be a long hard one with many house-to-house visits, day after day. His opponent will be member of Parliament, Dr. Richie Haynes, of the Democratic Labour Party.

He told a packed school hall at the St. Michael School that he was a man of action and few words, but he thought his experience in the past would stand him in good stead in bringing full power to the ruling party.

"If we put our hearts and hands together we will win," Mr. Goddard said in his acceptance of the nomination, which now has to be ratified by the National Executive Council. He called on party supporters not to falter. "We want your support in winning the next general election," Mr. Goddard said.

In declining nomination, Senator Clarke called on party leaders to heal all or any rifts that may be present to ensure that the ruling party remained in power. She also pledged her support for the party and added: "The party is important, no individual is more important than the party."

Chairman of the party, Dr. Richard Cheltenham, in an address to the large gathering, spoke of some \$200 million in projects that are scheduled to come on stream between today and the next general election, which, he said, are aimed at reducing unemployment.

He promised that within 90 days these projects would be in full swing, and said that today he would stand on the property of the former International Seafoods Limited (ISL) and signal the start of construction for the new Bridgetown fisheries complex.

Dr. Cheltenham also spoke of the controversial Industrial Access Highway, which he added, would be started within 90 days.

CSO: 3298/1014

BARBADOS

WORKERS UNION LEADER CALLS FOR SUGAR INDUSTRY STUDY

Bridgetown DAILY NATION in English 20 Aug 85 p 1

[Text] **G E N E R A L S E C-**  
**R E T A R Y** of the  
Barbados Workers'  
Union (BWU), Frank  
Walcott, has called  
for a detailed and  
comprehensive study  
of sugar cane produc-  
tion on 80 to 120-acre  
units in place of the  
failed larger estates.

He told a week-long  
seminar/workshop for 15  
delegates and five super-  
visors in the industry  
yesterday at the BWU's  
Labour College, St. Philip,  
that it was not a call for a  
reduction in size of all  
estates to these units, nor  
for some radical land  
distribution policy.

"Rather," he said, "it is a call  
for diversifying the quality of  
ownership in this important sec-  
tor."

However, he conceded that it  
was not something that could be  
done immediately, since certain  
infrastructural requirements  
would be necessary.

Mr. Walcott said the question  
of ownership and management of  
sugar plantations and factories  
must be crucial in discussing the  
present and future situation of  
the industry.

**SMALL GROUP**

"It is common knowledge that  
sugar lands and factories have  
always been owned by a small  
group of families and, indeed  
persons, in Barbados," he said.  
"Government has become a large  
owner because of forces of cir-  
cumstances rather than design."

He felt that nationalisation of  
the industry would not help to  
solve its problems.

"However, it seems to me that  
the time has come for a renewed  
look at the ownership pattern in  
the industry," he said. "I wonder  
whether there isn't need for a  
detailed and comprehensive  
study of the possibility of produc-  
ing cane by cane farmers  
operating on economic units of  
about 80 to 120 acres, in place of  
estates which have failed as  
larger entities."

Mr. Walcott said sugar was  
probably facing the bleakest  
days in its long history.

The reason, he said, was con-  
gestion in the market, as supply  
continues to surpass demand.

He added: "The situation does  
not promise immediate resolu-  
tion, as the expansion of demand  
is unlikely to be rapid in the im-  
mediate future, even though  
millions of people, the world  
over, do not include sugar in  
their daily diet."

Mr. Walcott noted, too, that  
recent bad Press on sugar con-  
sumption, buttressed by the pre-  
sent emphasis on health, has led  
to a concentration on the  
development of low calorie  
sweeteners, much to the disad-  
vantage of cane sugar.

[Editor's Note: The Port-of-Spain TRINIDAD GUARDIAN of 29 August 1985, page 4, reports an increase in the Barbados sugar quota for the UK: "Barbados quota of sugar exports to Britain has been increased by 900 tonnes from 1985, bringing it to 54,000 tonnes, industry authorities here confirmed today. Managing Director of the Barbados Sugar Industry Limited, Mr Errie Deane, said the hike resulted from a permanent shortfall by Trinidad and Tobago."

"So far this year, Barbados has shipped 39,000 tonnes of sugar to Britain and another 14,000 tonnes is due to leave shortly, Mr Deane said. He pointed out the remaining 6,500 tonnes of sugar in storage here could well be shipped to the United States, which was still to fix its quota for the 1985-86 year."]

CSO: 3298/1014

BARBADOS

BRIEFS

CANADIAN AID--Canada has underlined its continuing support for the expansion of water services in Barbados and the Eastern Caribbean. That country's High Commissioner to Barbados and the Eastern Caribbean, Mr Noble Power, said his country attached significant importance to its programme of assistance to the region's water resources development. Addressing a four-day seminar at the Wildey Conference Centre yesterday, he said the Canadian assistance to this area of development had spread over 10 years, costing in excess of EC\$50 million. He saw the seminar at the Conference Centre as an opportunity for regional cooperation. Canada through its International Development Agency (CIDA) has made available EC\$400,000 to the Management Information Systems for Water Utilities throughout the Caribbean. [Text] [Bridgetown BARBADOS ADVOCATE in English 20 Aug 85 p 1]

EXPORTERS IN PUERTO RICO--The Barbados Export Promotion Corporation (BEPC) is pressing ahead with its planned mission and exhibition to Puerto Rico from 21-28 September. So far some 129 manufacturers have agreed to participate in this mission and will be displaying a variety of products at the "Barbados Expo." There are still a few manufacturers who have been invited to participate in the mission but have not yet confirmed their intention to do so. The BEPC has asked them to contact David Lavine, the mission's coordinator, as soon as possible. The deadline date for registration of participants is 31 August. Exhibits include garments, furniture, automotive filters, printed products and building materials. A number of service companies will also be participating including BWIA International, the official carrier of the participants, and Caricargo, who assisted by T.S. Garraway and Company Ltd., will be responsible for shipping the samples. The mission will be led by the Minister of Commerce, Industry and Consumer Affairs, Mr Louis Tull. The Central Bank of Barbados and the Barbados Industrial Development Corporation will be participating. [Text] [Bridgetown SUNDAY ADVOCATE in English 18 Aug 85 p 1]

NEW METEOROLOGICAL EQUIPMENT--Meteorological officials at the Grantley Adams International Airport should now be in a better position to advise Barbadians about the weather. This follows yesterday's presentation of a US\$100,000 Automatic Picture Transmission (APT) under the World Meteorological Organisation Cooperation Programme. According to Minister of Agriculture and Natural Resources, Dr Richard Cheltenham who was at the presentation ceremony, the new

piece of equipment would allow the relaying of vital information to be a much quicker exercise. He said that it would therefore be of great assistance, especially now that it was the hurricane season in Barbados. Unlike the first meteorological satellite, which was launched 25 years ago by the United States, Dr Cheltenham said this one was more efficient in that weather pictures could now be received directly from the satellite. "The very latest APT system, I am told, permits the receipt of satellite pictures every 10 minutes instead of every three hours like the present systems, and I look forward to the day when one of the higher resolution pictures transmission systems, which not only provide better meteorological information, but produce significant economical benefits as well, will be available in developing countries." [Text]  
[Bridgetown DAILY NATION in English 14 Aug 85 p 28]

CSO: 3298/1014

BELIZE

ESQUIVEL DISCUSSES SUGAR SITUATION, IS CRITICIZED

'Divide and Rule' Charge

Belize City THE BELIZE TIMES in English 25 Aug 85 pp 1, 7

[Text] Under tight security and heavy police protection, Mr Manual Esquivel addressed a meeting of cane farmers and 'the public' at the People's Stadium in Orange Walk Town last Saturday. The four Orange Walk District representatives had been pleading with their party leader to take some of the heat off the sugar crisis.

Esquivel flew into town in grand colonial style and like a British governor of days gone by, decided on a strategy of divide and rule.

He told the Orange Walk audience that the closure of the Libertad sugar factory should not really concern them. It was not their problem, it was a problem only for Corozal farmers, he said. The prime minister, however, failed to mention the serious dislocations and loss of time and money that will befall all cane farmers when the cane trucks start lining up outside the Tower Hill factory.

As to why Tate and Lyle was being allowed to import plantation white sugar to Belize, they were entitled to make a profit, was the sharp and dispassionate reply of the worn-out looking leader.

Cane Farmers heard that the Development Finance Corporation would be providing a one million dollar credit to the industry. This of course was nothing new. D.F.C. has consistently over the years been making loans to cane farmers. The real question is how will the farmers service these loans and meet their family obligations with the low price they are getting for their sugar on the World Market. Esquivel could offer them no hope for an increase in the EEC or the U.S. sugar quota. This came as a major shock to many U.D.P. farmers who were told during the campaign that a U.D.P. Government would secure a much increased sugar quota and better prices.

All that Mr Manuel could offer was a repeat of his often stated 'hope' that Coke-Minute Maid would provide the answer with a major citrus deal in the Hillbank area of the Orange Walk District. He did not know how many acres would be involved as suitable for citrus. Nor did he know to what extent this would be a plantation style operation with Belizeans working as farm hands. He did promise that Belizeans farmers would be allowed to buy plants from the Company's nurseries for their own orchards.

The Prime Minister, however, could provide no solace to the farmers as to what they and their families should do while they wait over the next 5-6 years for the citrus trees to bear fruit.

The general reaction to the prime minister's visit was one of deep disappointment. His audience was at first quite amused and engaged in hilarious outbursts at Esquivel's crude version of Spanish. As one farmer put it, 'the man killed Libertad, now he is slaughtering the Spanish language.'

But the laughter soon turned to bitter disillusionment when Esquivel spoke of the economic crises facing the people of the North in a clinical and mechanical fashion displaying a total disregard and insensitivity to the human suffering and hardship in this depressed area of the country.

His crude attempt to divide the people of the North against each other was the final insult. This the cane farmers will remember not to forget.

#### Cane Farmers Meeting

Belize City THE BEACON in English 31 Aug 85 pp 5, 8

[Text] The Cane Farmers Association met in Corozal Town last Sunday morning. Gathering in the Delux Cinema were farmers from Orange Walk and Corozal.

Prime Minister Esquivel was guest speaker, and spoke on the Sugar Stabilisation Fund.

This fund established in 1976 and not yet touched, is for the purpose of assisting farmers in times of economic crisis. The present critical period makes it necessary for the fund committee to now examine ways and means for its utilization to the benefit of the farmers.

The prime minister said government had transferred \$375,000.00 to the fund, and in a few days give another \$175,000.00.

Present and also speaking was Trade and Industry Minister, Edwardo Juan.

Licenciado Jesus Gonzalez, a Mexican official and president of a confederation of sugar producers, was an observer. In a few remarks, he promised to discuss with countries of his confederation, aid to Belize's sugar industry and to take up with the Mexican Government the possibility of grinding Belize's cane at Obregon's Sugar Factory.

Others present were Minister of Energy and Communication Alpuche, Representative Ortega, as well as representatives of the Obregon Sugar Factory.

Farmers' 'Disappointment'

Belize City THE BELIZE TIMES in English 1 Sep 85 p 12

[Text] With an air of arrogance, Mr Manuel Esquivel entered the Deluxe Cinema in Corozal Town to address the many cane farmers of the entire Corozal District who gathered there with the hope that Esquivel would hail them out of their present situation brought about by the closure of the Libertad Sugar Factory.

But what transpired was short of hope. He had no answers for them and the pompous Esquivel merely put in an appearance accompanied by His Minister of Trade and Commerce Dito Juan. What he told the cane farmers was that his government was still looking into the ethanol project which has long ago been ruled out as not feasible by the parties concerned. He also repeated his announcement of the DFC's million dollar loan to be disbursed among the four thousand cane farmers who would stand to benefit a mere \$250.00 each.

Addressing the farmers and cleverly responding to questions was Mexican Congressman Jesus Gonzalez Gortazar. Lic. Gonzalez Gortazar informed the farmers that he would be negotiating with his government the possibility of processing some 80,000 tons of sugar cane at the Obregon Sugar Factory.

The cane farmers took the opportunity to make their voices heard. They requested Esquivel to reduce taxes on fuel, to reduce duty paid on vehicles and to negotiate with B.S.I. better prices for their cane.

The cane farmers left the meeting disappointed and angered that Esquivel could not deliver his campaign promises and insulted at his lack of concern for a problem perpetuated by his government.

CSO: 3298/1040

BELIZE

UDP, PUP EXCHANGE HEATED RHETORIC IN NEWSPAPER ITEMS

AMANDALA Observation

Belize City AMANDALA in English 23 Aug 85 p 1

Belize City, Fri. 23 Aug--The rhetoric being exchanged between the ruling UDP and the opposition PUP, as manifest in their respective newspaper organs--BEACON and BELIZE TIMES, is tending to suggest confrontation.

In the editorial of today's BEACON, utterances in the BELIZE TIMES are interpreted as "a warning and a threat." The utterances are described as "insurreктив declarations," "reckless and certainly intended to be inflammable."

Said the BEACON, "Disturbances of any sort must be dealt with sanely and fairly, but with vigour. It must be stopped at its inception. Hesitancy, indecisiveness, lack of strength of conviction, would be criminality, which the people would never forgive."

PUP Threat of Unrest

Belize City THE BEACON in English 24 Aug 85 p 2

[Editorial]

[Text] In the BELIZE TIMES, 11 August, the closing paragraph of the article "Government Defies Constitution," obviously speaking for the PUP, calls on the supporters of freedom (as they interpret freedom) to be ready--that if they have to go on the streets, so be it; they warn UDP rulers that demonstrations over Heads of Agreement would be nothing in comparison.

An analysis and appreciation of these specific assertions is timely. Inherent in these statements are seeds of menace to peace and tranquility.

In reference to the Heads of Agreement, they failed to mention that the PUP government's stand at the time, was that the strike was illegal; that civil unrest existed; that demonstrations were ones of near riots, and that all these were giving Belize a bad name abroad.

Implicit therefore in their utterances are a warning and a threat. That in the offing, are illegal strikes, civil disobedience and near riots, in a far greater degree than those occurrences associated with justifiable protests by the people against the imposition of an unwanted set of agreements on the Guatemalan issue.

The enunciation of these insurreктив declarations is asinine, reckless, and certainly intended to be inflammable.

Questioned at his recent press conference by the BEACON's correspondent, the Prime Minister with sagacity and wisdom, decided on diffusing the situation, so refused to offer specific comment.

Frustrated agitators, fearful of the results of democratic processes, turn to insurrection. The sequence is always the same. The promotion of disrespect for government, followed by fostering civil disobedience and unrest, which in turn leads to wide spread lawlessness, riots, and open insurrection. A revolt begins.

Activating these steps to violence, use is made of deranged minds, the neurotics, the addicts, the slothful ones, the criminals, the envious and those with imaginary grievances.

Once revolt becomes an actuality, atrocities, injustices, harm to the innocents and terrorism become everyday occurrences.

Additionally a state of wearying tension permeates every activity, because of the sit-in strikes, demonstrations, burnings, looting and assaults.

In pondering these threats, perplexity and perturbation becomes poignant. The big question being intent. Are these remarks purely braggadocio or are the leaders of the PUP serious in their contingency planning. Is their lust for power so great and the loss at being displaced so keen, that their prevailing obsession is recovering what they had, irrespective of the means to be used?

Or is it compulsion from ideological fixations. We know that leadership of the PUP is now entirely in the hands of the left, who are systematically and methodically changing its character to a socialistic one, with strong affinity to communist expansion and influence.

Do we have in our midst warped minds, now with a political party of their own, whose dedication is to the misguided conception of saving the masses from themselves, through despotism and subjugation? Communist orientated, they may well be prepared to adopt well-tested communist scenarios and styles for the enslavement of people.

Should they pursue this course, the consequences can only be grim and tragic.

The PUP when in power, became fearful of the people during the Heads of Agreement crisis, and moved quickly to crush and subdue. One only has to remember the extreme restrictions, the suppression of meetings, armed guards, and other radical measures and all under the pretext of law and order.

The present government has a sworn duty to protect the populace. Disturbances of any sort must be dealt with sanely and fairly, but with vigour. It must be stopped at its inception. This is a political obligation to those voting them into office.

Hesitancy, indecisiveness, lack of strength of conviction, would be criminality, which the people would never forgive. Trust in the competence of leaders would diminish and the people would have lost hope in a future of stability, peace, growth and prosperity. Concomitant with this would be the people's political decision at reprisals with its resultant anarchy.

This must never, never be allowed to happen.

#### Attack on Esquivel

Belize City THE BELIZE TIMES in English 25 Aug 85 p 3

[Unsigned article: "And Now, Back to the Bozo Show"]

[Text] Last week for the first time on television, we saw the real Esquivel.

Gone was the schoolmarmish, almost frightened, gentleman, who appeared so embarrassed by the attention of TV cameras. Gone were the popping eyes, the drawn face, the small, stiff gestures of his pre-election TV ads.

By last week Esquivel had relaxed sufficiently to be his true self. And it was all vintage Manuel: sarcastic, intolerant, pompous, able to sneer down any question with the curl of a lip and the advantage of a louder microphone. People who know him well were surprised only by the fact that it had taken so long for this side of his character to emerge.

What exceeded everyone's expectation however was the depth of contempt he exhibited for the intelligence of Belize people.

Typical was his answer to the question why his government was going to such lengths to stop the showing of "Our Turn." He said that he was merely enforcing the law. Now, really, Mr Esquivel, you must think we are something that just swung down out of trees if you expect us to take that seriously. After all, everyone knows that the Supreme Court has declared the law invalid. So what are you enforcing? An invalid law? The question people want answered is this: "Why are you attempting to revive a law against free speech which the Supreme Court has struck down and which you say you disapprove of?" Until you can answer that, Mr Esquivel, people will see your actions for what they are: a cynical attempt to use a bad law to oppress your political opponents.

Esquivel's brushing aside of questions dealing with victimization in the taking away of land from certain known PUP supporters is another example of his insensitivity. He clearly fails to appreciate the growing feeling among

Belizeans that his government is practicing victimization on a scale never seen in Belize before. Esquivel said that he was merely continuing the policies of the previous government. Which does not explain how Evan Hyde, a vocal UDP, was allowed by the previous government to hold a choice seafront lot for over 5 years although he did not put so much as a dollar into developing it during that time.

The press conference was also revealing for the matters it failed to address. The question uppermost in everyone's mind is "When will the government do something to provide more jobs and stimulate the economy?" Esquivel said nothing about this. In fact he seemed serenely unaware that people regard this a problem.

Maybe Mr Esquivel is taking the cynical attitude that since he has effectively banned his opponents from using the TV he can say anything he wants and people will accept it because there is no one to contradict him. Well, if you believe that, Mr Esquivel, you underrate Belize people again. Belize people look at the Bozo show, laugh at it and then set it aside. They don't need anyone to tell them that the nonsense they see on it is not to be taken seriously.

CSO: 3298/1040

BELIZE

GOVERNMENT MINISTER'S REMARKS ON DEVALUATION CAUSE STIR

Interview in Mexican Paper

Belize City THE BELIZE TIMES in English 1 Sep 85 pp 1, 12

[Text] The following article is the English version of an article appearing in the DIARIO DE YUCATAN of 25 August 1985.

[ED's note: Despite Prime Minister Esquivel's repeated assurances of no devaluation and that the economy is on the mend, His Minister of Energy and Communications Israel Alpuche has let the cat out of the bag.]

There is a danger that Belize will devalue its currency within the next few months following similar actions by Mexico and Guatemala warned Belize Minister of Energy and Communications, Israel Alpuche.

"It would not be surprising if we experience an early devaluation" added the Belizean official, "because today all countries are undergoing economic problems." Alpuche emphasized that a devaluation will take place in the "not too distant future" and that many believe it will take place by the end of the year. He said that apart from the many setbacks in the agricultural sector, brought about by a severe drought Belize's greatest problems are economic instability and the devaluation.

The minister went on that his government foreseeing a devaluation, of the Belize dollar is arranging long term credit with international financial institutions to strengthen the livestock [words missing] will be prepared to deal with problems arising from the devaluation. He added that the livestock industry will be receiving greater assistance due to its importance to farmers.

Alpuche further explained that a devaluation will not be surprising since both Guatemala and Mexico, countries with greater industrial potential have devalued their currency and Belize could be no exception given its low productivity.

On another subject, he ruled out a possible invasion by any country saying "the government and people of Belize are ready to fight the aggressor."

'Destabilization' Charge

Belize City AMANDALA in English 30 Aug 85 p 1

[Text] Belize City, Fri, 30 Aug--The headline story in this morning's BELIZE TIMES, a DIARIO DE YUCATAN interview with Energy Minister Israel Alpuche in which he is quoted as saying devaluation here is imminent, can only be described as sensational.

The story will definitely destabilize currency and business transactions at the northern and western borders, at least temporarily, and we expect Mr Alpuche will have some serious questions to answer when the Prime Minister/Minister of Finance Manuel Esquivel faces him.

Mr Esquivel, you see, has repeatedly declared publicly that there will be no devaluation, and this has become a policy statement. What Mr Alpuche should have done, when the question of devaluation came up, was quote his government's policy and shut up.

Devaluation has been a subject rearing its ugly head in Belize for the last 3 or 4 years, and it is reasonably clear that, from a strict economic standpoint, the Belizean dollar is overvalued.

But some of our sources indicate that Washington does not want our dollar devalued because it would increase the attractiveness of the trade in marijuana and cocaine, not to mention the value of remittances from Belizeans working in the United States.

Whatever may be the case, Mr Alpuche has spoken out of turn.

CSO: 3298/1041

BELIZE

DROUGHT BRINGS 20-PERCENT CUT IN CORN HARVEST

Belize City AMANDALA in English 23 Aug 85 p 3

[Text] Belmopan, Mon. 12 Aug--Officials of the Ministry of Natural Resources today said that they expect a seven million pounds loss in corn production or 20 percent of the projected corn harvest of 35 million pounds.

So far of the nearly 22,000 acres of corn planted for this year, about 3,000 acres, mainly those planted on high ground, have been destroyed as a result of the recent drought.

At a meeting of the National Agro-Met situation committee held today in Belmopan, agro-meterologist Mr Doug Smith said that the current drought is the worst in 22 years and that it is affecting the entire region of the Caribbean and Central America.

The severity of the drought is mainly felt in the northern and western districts where projected corn yields will drop considerably.

Chief Agricultural Officier, Mr Liborio Gonzalez, with other members of his staff at the meeting of the Agro-Met situation committee discussed possibilities of offsetting the loss in the corn crop and increasing the production of sorghum.

The national supply of corn is also at a low and is being also threatened by an outbreak of army worms.

CSO: 3298/1041

BELIZE

BRIEFS

NATIONALIZATION OF LOTTERY--Belmopan, Thurs. 22 Aug--Impeccable sources say that the UDP administration has decided to nationalize the boledo and Sunday lotteries. Nationalization of any industry is usually considered a socialist measure, and the right wing ideological purists in the party might have difficulty dealing with the decision, the first such under the new administration. State run lotteries have proven to be gold mines in several of the United States and while the local lottery bankers were claiming no profits, with any kind of administration at all, boledo and Sunday lottery will increase the public sector's liquidity considerably. [Text] [Belize City AMANDALA in English 23 Aug 85 p 1]

MOVE AGAINST REPORTER--Belize City, Thurs. 22 Aug--REPORTER owner Harry Lawrence told the newspaper today that attorneys for plaintiff Said Musa, in pursuance of the recent Supreme Court award of \$20,000 in the libel case brought by Musa against Lawrence, have applied to the Supreme Court for a writ of execution which would, if awarded, enable them to seize the REPORTER's assets and sell them off to settle the claim. Mr Lawrence, who just returned to Belize over the weekend, only found out about this yesterday and his attorneys have filed for a stay of execution on the grounds that the \$20,000 judgment is being placed before the Court of Appeals. [Text] [Belize City AMANDALA in English 23 Aug 85 p 1]

CSO: 3298/1041

CHILE

TEXTS OF NATIONAL ACCORD, LETTER OF TRANSMITTAL TO FRESNO

Santiago HOY in Spanish 2 Sep 85 pp 10-13

[Excerpt] Santiago  
25 August 1985  
His Excellency Monsignor Cardinal Juan Francisco Fresno Larrain

Your Excellency:

During the meeting that we attended on 22 July in Calera de Tango, we were commissioned to compile background information on the progress that various political groups have been making towards a national understanding and, using this information and consulting each of the meeting's participants, to prepare a document with the political, economic and social accords that represent the groundwork for a broad consensus of our homeland's citizenry.

The information-gathering and consultation with which we were charged have given rise to the document that we attach herewith. It is entitled "National Accord for the Transition to Full Democracy." We are pleased to inform His Excellency that the text was unanimously approved by the participants at the meetings, whose names are listed on a separate sheet.

The document, which organizations and individuals who share the views expressed in it are free to sign, will be submitted by the various representatives who took part in its final drafting for ratification by the groups to which they belong in accordance with the mandate that each received.

Grateful and honored to have been afforded the opportunity of serving you in this momentous initiative, we are,

Respectfully yours,

Fernando Leniz Cerdá  
Sergio Molina Silva  
José Zabala de la Fuente

## The Document

The following is the text of the "National Accord for the Transition to Full Democracy":

"In response to the appeal for a national reconciliation that His Excellency the archbishop cardinal of Santiago has issued and as testimony to the willingness of a wide range of political and social sectors to enter into a great national accord that will assure a peaceful evolution towards a full and genuine democracy, all of the signatories of this document, making a constructive contribution to the sought-after reconciliation, express their support for the political, economic and social principles set forth herein.

"Democratic values must govern our society, and the following conditions are required to achieve them: an orderly transfer of political power to authorities vested with fully and unquestionably democratic legal standing; a political, economic and social framework that guarantees both the country's governability and the basic conditions for the collective efforts that the challenges of today and tomorrow pose; and the return of the Armed Forces to their indispensable and permanent functions, with full respect for their institutional values, dignity and requirements.

"Reconciliation also demands full respect for the right to life and for all of the other rights set forth in the Universal Declaration of Human Rights and Complementary Facts. This means rejecting violence, regardless of its source, as a method of political action, shedding light on the attacks and crimes that have shaken the country and applying the full weight of the law to those responsible for them. It is a priority for Chileans to unite so as to lay the essential groundwork for their peaceful coexistence.

"It is imperative to meet the requirements of justice in a manner consistent with the spirit of national reconciliation. To this end, any trials for human rights violations must be pursuant to a well-founded charge of a specific crime. The existing courts alone will try such cases, thus assuring due process free from humiliation, vengeance and collective ad hoc judgments.

"In keeping with the Chilean people's cultural tradition of freedom, democracy is the best possible political system. Therefore, this accord addresses the fundamental conditions that must be met not only to make the transition to democracy possible but also to assure its stability once it has been fully reestablished.

"Given the magnitude of the problems confronting us, at least for the remainder of the century, we must, through the great national accord that we are proposing, urgently achieve a high and sustained growth rate that will lead to higher levels of well-being and justice, which is the only way to build a genuine, modern and lasting participatory democracy.

"Bearing the above in mind, all those who sign or support this document must, for the sake of the stability of our future democracy, solemnly pledge to conduct future political activities within a spirit of democratic loyalty, effective enforcement of the law and mutual respect and to reconcile these

activities with the institutional, economic and social principles set forth herein. Only in this manner will the country's governability and an effective transition to full democracy be guaranteed.

"To the extent that our society guarantees greater justice and security for all, we will be able to maintain law and order, avoid the use of violence, help to abolish terrorism and punish undemocratic conduct. In any event, the effective safeguarding of human rights will be a priority concern of public officials.

"The signers of this document pledge to devote their resolute efforts to the stated task and invite labor, management, professionals and other segments of national life to join in the task with equal dedication, so that we can build a democratic understanding that is truly representative of the entire nation.

## I. The Constitutional Accord

"The reestablishment of democracy means that all Chileans must have the right to express their thoughts and to see their freedoms guaranteed under a constitutional system that provides for at least the following elements:

"1. The popular-vote election of the entire National Congress, which will have clear-cut legislative, monitoring and constitutional authorities.

"2. A procedure for amending the constitution that, while recognizing its necessary stability, enables changes to be made and, in the event of disagreement between the Executive Branch and Congress, puts the amendment to a plebiscite.

"3. The direct election of the president of the republic by popular vote, simple majority and, if necessary, a second round of balloting.

"4. A Constitutional Tribunal on which the Executive, Legislative and Judicial branches are appropriately represented.

"5. The Political Constitution will guarantee the free expression of ideas and the organization of political parties. The parties, movements or groups whose objectives or actions are at variance with the periodic popular election of government officials, changes of administration, human rights, the primacy of the law, the rejection of violence, the rights of minorities and the other democratic principles as set forth in the constitution will be declared unconstitutional. Such a decision rests with the Constitutional Tribunal.

"6. Regulation of the states of constitutional emergency that provide for restrictions on the individual freedoms of assembly, of movement, of information and of expression, with specific mention that under no circumstances during such states of emergency can human rights be violated and that protection can always be sought from the courts.

## II. The Economic and Social Order

"It is indispensable to dispel any uncertainty regarding the socioeconomic system that will be in effect once normalcy has been restored. Democratic coexistence demands stable ground rules for the functioning of the economy to assure social harmony and economic efficiency. A proper balance between freedom and equity is required to achieve them.

"The country must simultaneously seek a high growth rate and a steady lessening of the inequalities in opportunity and consumption levels.

"In addition, a dynamic, equitable democracy requires clear-cut rules that are not subject to arbitrary interpretation and that prevent one social group from dominating another and the State from dominating society.

"In view of the above, all signers of this document pledge their support for the following foundations of the future economic and social order:

"1. The following will be priority goals: the elimination of extreme poverty and social disenfranchisement; productive, stable job opportunities; and a high and sustained growth rate. To this end, we will have to overcome the restrictions imposed by scarce foreign funds and substantially expand domestic savings, both government and private, which are the main constraints on investment and, therefore, growth.

"2. To achieve these goals the nation must pledge to share sacrifices and rewards equitably. This means austerity in consumption, solidarity and social discipline.

"3. The constitution must guarantee the right to the private ownership of tangible and intangible assets, the means of production included, this being a necessary condition for stimulating individual initiative under various forms of economic organization and activity. The tax system will not be used for expropriation purposes.

"4. The State must play an active role, its task being to determine major national goals through direct planning of its own action and indicative planning for the other economic actors, preferably using direct persuasion and incentives. It will thus coordinate and guide the course of the economy, which does not preclude its regulatory and redistributive functions.

"We will thus have a mixed economy in which government and private enterprise complement each other through a division of labor and in which the marketplace, consensus and government represent, among others, the mechanisms for efficient resource allocation.

"5. The views and the experience of labor and management will be taken into consideration in formulating and assessing the national development strategy and in basic economic and social policy-making.

"6. The commitment of the various segments of society to democracy and development requires social participation. To this end, civilian society must

organize around the activities that directly touch on its interests; ways of arbitrating conflicts must be sought, and the State must decentralize its functions so that intermediate social organizations have an increasing responsibility in resolving their own problems.

"7. There must be a social understanding among economic actors, and it must be based on a recognition that, without ignoring the interests of consumers, management and labor share the goal of achieving higher levels of general well-being and accept the principle that conflicts must be settled through negotiated compromises.

"8. Relations between labor and management must be balanced, to which end the various functions of labor must be recognized and labor organizations and their right of petition, of assembly, to strike, etc must be bolstered. Labor organizations, together with their management counterparts, will serve as intermediate bodies in proposing policies of mutual interest and in mediating conflicts in matters that are common to them.

### III. Immediate Measures

"To enable Chileans to fully exercise their rights of citizenship once again and to take part in making the decisions that will affect their future under freedom and equality and to provide the political process with the essential elements for an effective transition to genuine democracy, the following measures must be taken:

"1. An end to the states of emergency; full reestablishment of all civil liberties, of true university autonomy and of constitutional guarantees, and a commitment by the government not to enforce transitory Article 24 of the 1980 Constitution. An end also to exile, which denies citizens their legitimate right to live in their homeland, and the return of Chilean citizenship to those who were deprived of it.

"2. The compilation of voter lists.

"3. An end to the political recess and revocation of the bans on party activity.

"4. Passage of a law under which the president of the republic, senators and deputies will be elected by a direct, personal, free, secret, informed and impartially supervised vote, with guaranteed freedom of campaign advertising and equal access to the government and university mass media.

"5. The plebiscite to ratify the provisions set forth in this document must be conducted in accordance with the guarantees mentioned in the previous paragraph.

"The signers of this document resolve to maintain ongoing contacts to refine and implement its contents. Santiago, August 1985."

**Signers of the Accord Document:**

Rene Abeliuk  
Andres Allamond  
Sergio Aguilo  
Patricio Aylwin  
Carlos Briones  
Francisco Bulnes  
Pedro Correa  
Armando Jaramillo  
Luis Fernando Luengo  
Luis Maira  
Fernando Maturana  
Sergio Navarrete  
Dario Pavez  
German Perez  
Patricio Phillips  
Mario Sharpe  
Enrique Silva Cimma  
Ramon Silva Ulloa  
Gabriel Valdes  
Gaston Ureta  
Hugo Zepeda

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CSO: 3348/961

CHILE

SURVEY SHOWS INFORMED CITIZENS SUPPORT NATIONAL ACCORD

Santiago CAUCE in Spanish 3 Sep 85 pp 10-11

[Text] Forty-eight hours after the text of the National Accord for the Transition to Democracy was made known, CAUCE commissioned the firm Diagnos to ask citizens the following question: Do you personally think that the proposals contained in the document "National Accord for the Transition to Democracy" chart a proper course for restoring democracy in the country?

This specific question was posed to persons over the age of 18, whether employed or not, along the main thoroughfares of the Greater Santiago Area.

The replies to the question were broken down in accordance with the socioeconomic group, sex and age of the respondents.

Each respondent was asked to indicate the reply with which he agreed the most.

The following selection criteria were employed:

- a) District (first stage of selection)
- b) Thoroughfares and streets representative of socioeconomic segmentation and with heavy pedestrian traffic (second stage)
- c) Scheduling: 1040 to 1240 hours, 1330 to 1440 hours, 1530 to 1645 hours

A quota sampling of 200 cases was employed, the main features of which are:

Socioeconomic Stratum

Upper	67
Middle	67
Lower	66
	200

Sex

Men	99
Women	101
	<u>200</u>

Age

18 to 28	53
29 to 39	49
40 to 50	49
51 and over	49
	<u>200</u>

Weighting

The following weighting factors were used to calculate the totals:

Socioeconomic Stratum

Upper	13 percent
Middle	40 percent
Lower	47 percent

Sex

Men	49 percent
Women	51 percent

Age

18 to 28	36.9 percent
29 to 39	22.3 percent
40 to 50	15.7 percent
51 and over	25.1 percent

The poll was conducted on Thursday 29 August in the districts of La Granja, La Cisterna, La Reina, Nunoa, Las Condes and Providencia.

Analysis of the Findings

Almost two-fifths of the respondents indicated that they thought the "National Accord" charted a proper course for restoring democracy in the country, and only 15.4 percent thought that it did not. Almost half (46.1 percent) of the respondents said that they did not know whether it did or not.

About half of the respondents in the upper and middle classes felt that the National Accord was an appropriate way to begin reestablishing democracy. Only one-quarter of the respondents from the lower class held that view. Respondents from the middle class represented the largest proportion of those who said they did not know whether the accord charted a proper path. Those from the lower socioeconomic stratum came next. Finally, among the

Findings of the Survey

Does the "National Accord" Chart a Proper Course for Restoring Democracy?

	<u>Socioeconomic Group</u>	<u>Sex</u>		<u>Age</u>		
		<u>Men</u>	<u>Women</u>	<u>18-28</u>	<u>29-39</u>	<u>40-50</u>
<b>1. Yes</b>	38.2	56.9	48.6	24.1	44.9	31.7
<b>2. No</b>	15.4	13.6	0.0	29.0	12.8	17.9
<b>3. Don't know</b>	46.1	27.7	51.3	46.7	41.8	50.2
<b>4. No answer</b>	0.1	1.5	0.0	0.0	0.4	0.0
	100.0	13.0	40.0	47.0	49.0	50.9
	200	67	67	66	99	101

respondents who said that the accord was not an appropriate course, those from the lower socioeconomic stratum predominated, 30 percent of them feeling this way.

Slightly more men than women indicated that the National Accord was conducive to democracy, while slightly more women than men said that they "did not know."

The greatest support for the accord came from the 29 to 39 and over 50 age groups. The strongest opposition to it came from the youngest respondents (18 to 28). Finally, the highest percentage of "don't knows" came from the 40 to 50 age group.

#### Conclusions

1. According to the findings of the poll, a high percentage of the respondents (46.1 percent) "do not know" whether the National Accord charts a proper course for restoring democracy in the country. This could be for two reasons:
  - a) The respondents are not familiar with the content of the National Accord as published in the various media and, therefore, have no opinion about it; and
  - b) A conscious refusal to respond because of how new the accord is and because they do not feel qualified to do so.
2. The respondents from the upper and middle socioeconomic strata predominate among those who thought that the National Accord charted a proper course for restoring democracy in the country. Inversely, there were more negative feelings towards the accord from the lower class than from the others.
3. A breakdown of the opinions by sex and age shows no significantly different trends from the main ones noted above. The 40 to 50 age group gave the most "don't know" responses.

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CHILE

SILVA CIMMA ON COMPROMISES MADE BY NATIONAL ACCORD SIGNERS

Santiago COSAS in Spanish 5 Sep 85 pp 74-75

[Interview with Enrique Silva Cimma, president of the Radical Party and former comptroller general, by Raquel Correa; date, time and place not given]

[Text] The achievement of the "National Agreement for the Transition to Full Democracy" breathed new life into Enrique Silva Cimma's spirit. Until that time, the former comptroller general of the republic and current president of the Radical Party had become completely demoralized.

Like many Chileans, he saw not a glimmer of hope.

But now that he does see one, he is hardly blinded by it. He has doubts; he has fears. "Because the success of the agreement depends on more than the generosity of those who signed it . . ." he says.

"My outlook has changed, but not drastically. I do recognize, however, that Msgr Fresno's appeal and the response he received are important."

[Question] Is the reason the agreement has not changed your outlook drastically the fact that it does not really suit the Radicals?

[Answer] The agreement was a deal. The people from each ideological faction that participated in it necessarily had to give up positions that would have thwarted our efforts. The main idea was to bring together those disparate opinions.

Agreements

With no past experience in public politics (although he is an active Radical like his father, who was a Radical mayor and also a Mason), Enrique Silva Cimma was always an official at the General Comptroller's Office after going to law school. He began as a typist in the Legal Department, and ended up being the comptroller, appointed by former President Alessandri, of whom he has respectful memories. Teaching has also been an important element of his life. For several years he taught administrative law at the University of Chile, and he wrote important works in his field. He is a Radical to the

core: very Chilean, very argumentative, with an apparently gruff veneer covering an internal sensitivity unusual in a typical Radical.

A personal friend of President Alfonsin, he has taken on his shoulders the task of uniting the disparate and unruly Chilean Radical movement. He contends that some important meetings have been taking place recently . . .

Now, at any rate, his primary attention is focused on the "Agreement." He himself dreamed of such an accord just a year ago:

"All of the opposition should begin to forge an agreement," he told COSAS in August 1984, "to see how we can return to democracy through a transitional arrangement. For this purpose, we politicians must reach an agreement, and then the politicians must reach an understanding with the Armed Forces . . ."

It seemed unrealistic at that time. The "Jarpa dialogue" had failed; he was at the head of the Democratic Alliance, which was completely immobile . . . But it was soon to appear even more unrealistic, when the State of Siege was declared in November and a pall was cast over any possibility of an understanding.

Nevertheless, against seemingly insurmountable obstacles and contrary to all predictions and expectations, a broad cross-section of the country--not just the opposition--managed to reach a basic agreement at the urging of Archbishop Fresno. Since this is not a fairy tale but a political story, however, it is a complex situation rife with criticism and suspicion, and suspense.

#### Principles

[Question] Some have criticized the document, claiming that it points to very superficial compatibility among the different sectors, ignoring the "differences of principle" that divide them . . .

[Answer] There was an intensive exchange of ideas among us, a very long and profound one. For example, in the area of property ownership, naturally there were differences of opinion, ranging from those who advocated only private property, to those who would give a larger role to the state in the economy.

[Question] Were there none who thought ownership should be exclusively by the state?

[Answer] None. And there really was agreement on the constitutional recognition of private ownership of both consumer goods and production, without excluding a social area and a mixed sector.

[Question] According to Jaime Guzman, a "liquid agreement" was struck . . .

[Answer] I consider it quite solid. If it had been very rigid, it would have been more vulnerable to criticism. It is a sufficiently flexible agreement, which seems to me a virtue rather than a flaw.

[Question] The government claimed that it lacks clarity and precision with regard to the exclusion of totalitarian elements, specifically in terms of the legal prohibition of the Communist Party . . .

[Answer] That issue was discussed thoroughly. There was a very long exchange of ideas between those who thought the Communist Party should be totally banned from the future democracy and those of us who contend that there is nothing worse than excluding the Communists and leaving them underground, which is no way to fight them.

[Question] But according to Fernando Leniz--in this same edition--the agreement is very clear . . .

[Answer] I also believe that the agreement is very clear, and I do not understand those who do not see it that way. It says: "The Political Constitution shall guarantee the free expression of ideas and the organization of political parties." But it adds: "Any parties, movements or groups whose objectives, actions or behavior reflect a rejection of the periodic change in leadership in accordance with the popular will, alternation in power, human rights, adherence to the principle of legality, the repudiation of violence, the rights of minorities, and other principles of the democratic system defined in the Constitution, shall be declared unconstitutional." Frankly, doesn't that seem clear to you?

[Question] Tell me, does it or does it not exclude the Communist Party?

[Answer] The "Agreement" excludes parties whose objectives, actions or behavior reflect a rejection of the principles of democracy. The word "objectives" clearly refers to actions, not ideas.

[Question] Let us look at the practical implications of the principle. Is a call for armed subversion an action or an idea?

[Answer] In my opinion, a call for armed subversion within the democratic system is clearly an anti-democratic action.

[Question] Another example: a text in a magazine advocating the class struggle and the dictatorship of the proletariat, which are communist objectives. Would that be an action?

[Answer] That is the dissemination of an idea. To say--or write--words advocating the class struggle is not taking an action.

[Question] What is the specific difference between the two cases?

[Answer] An appeal means the beginning of an action. Do you understand that clearly?

[Question] I understand that proselytism, or the dissemination of certain ideas, is also the beginning of an action, in the long run. If an idea is disseminated, the goal is for it to bear fruit . . .

[Answer] The value of the agreement lies in the fact that it does not take a predetermined position, but rather yields to the decision of a body such as the Constitutional Tribunal, which will have to be autonomous and independent.

[Question] That body already exists . . .

[Answer] Yes, but for us that Constitutional Tribunal does not meet the prerequisites of autonomy and independence specified in the "Agreement."

#### Political Approach

[Question] Opposing groups disagree with the "Agreement" because it does not set deadlines for the changes, and it appears to accept completely the current system until 1989.

[Answer] Although the document does not mention any deadlines, it does not imply that the current situation must remain unchanged until 1989. The document is more rational and less rigorous in terms of trying to impose criteria that must be determined by a contingent reality. From that standpoint, the document seems to me much more reasonable than the "Bases for a Dialogue."

[Question] Does that mean that the demands of that period, which included the resignation of the chief of state, are now being abandoned?

[Answer] It does not reflect the relinquishment of positions, but rather the understanding that political problems cannot be approached with too much inflexibility. That is why the document does not mention deadlines. Moreover, not everyone who signed the document agreed on the time periods. I have no doubt, however, that everyone is thinking of the need for a democratic parliament elected fully by the people. And as soon as possible. This can be seen in the chapter of the "Agreement" that discusses immediate measures. It is becoming increasingly necessary to have a parliament that would serve the legislative function but also keep the executive branch in check.

#### Intransigent

[Question] How do you interpret the criticism by the Independent Democratic Union?

[Answer] I would say that they are not so democratic or so independent . . . The criticism comes from the extremists. The ones who are criticizing the document are those who have not realized that the real national situation requires a degree of compromise, and a compromise always demands the negotiation of details--questions of tactics and strategy. The fundamental principles have not been compromised, however. I could never negotiate the basic principles of democracy, but I am willing to accept a different strategy for seeking ways to achieve democracy. I understand why those who take extreme positions and were not mentally capable of engaging in such a compromise are opposed to it. There must be a reason why they were not called . . .

[Question] And how do you interpret the government's statement?

[Answer] I believe that the government's statement is simply a way of diverting attention from the real merit of the document. That merit, in my opinion, lies in the fact that the vast majority of democratic thinkers in Chile have been able to reach an agreement on what the democracy all Chileans long for really consists of. That concept of democracy cannot be underestimated on the pretext that it is somehow contrary to the formal content of the 1980 Constitution. The point is, there is an inestimably widespread awareness that that Constitution does not respond to the needs of the vast majority in this country. Furthermore, no one wants to go back to the democracy we had until 1973. We are convinced that the painful experience of these past 12 years has led all of us to include in our concept of democracy the necessary corrections in order to achieve a democracy that is essentially participative, responsible, and freely informed. These are the values we are advocating, because none of them exists at present.

[Question] Don't you believe that some change will take place?

[Answer] I wish there would be a more serious reaction. In a world where reason should prevail, the logical thing would be for a different reaction to take place. I hope not only for a reaction in words, but also for immediate measures, in a more effective policy on exile . . .

[Question] Should Andres Pascal Allende be allowed to return immediately?

[Answer] Of course not. I am not talking about Pascal Allende, but about nearly 5,000 Chileans who are living in exile. Another immediate reaction could be to revoke the decrees that stripped five or six Chileans of their citizenship, including Hugo Vigorena and Anselmo Sule. Also, an end to the enforcement of Transitory Article 24, and an effective end to the states of exception . . .

[Question] A government cannot stop invoking states of exception; all governments, even democratic ones, have had to resort to them.

[Answer] True, but that situation is governed by common sense. There are situations that justify such a declaration, but we have been under states of exception for nearly 12 years here.

#### Risks

[Question] How do you think the "Agreement" can facilitate the return to democracy?

[Answer] Naturally, by bringing about a transition. A functioning congress, empowered to enact legislation, draft a constitution and oversee the executive branch. Accepting the proposals of the "Agreement" leads to a much more efficient road to democracy, first, and to a stable democratic life in the future.

[Question] A congress, when?

[Answer] The document does not set a date, but we think that an elected congress could easily be convened by the first half of 1986. We are not so hot-headed as to suggest forming a congress in a month . . . And I think that we could having voting with I.D. cards; the problem is not so much verifying a person's identity as monitoring the electoral process and the freedom that should precede it.

[Question] And finally, what will the signatories of the "Agreement" do if their proposals are rejected?

[Answer] If the government does not respond positively, I fear that the country will continue hurtling pell-mell toward chaos. The problem of the Caribbean would thus be transplanted to the Southern Cone. I fear that the terrorist struggle in Chile would intensify, and we oppose violence. Refusing to contribute to the search for a peaceful solution plays into the extremists' hands. That is the worst thing that could happen in Chile. To avoid that, we have conceded a lot; unfortunately, the government still does not appear willing to concede anything.

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CHILE

MAN'S WILLOUGHBY GIVES ANNUAL ANALYSIS OF NATIONAL SITUATION

Santiago COSAS in Spanish 5 Sep 85 pp 45-47

[Interview with Federico Willoughby, president of the National Action Movement, by Luis Alvarez Baltierra; date, time and place not given]

[Text] He does not attempt to hide his pride in having been a "protagonist of the 1973 revolution." He adds that the revolution's objectives were set forth in the Declaration of Principles of March 1974. Federico Willoughby saw all this first hand in the Government Junta, where he was able to learn all about the personalities of President Pinochet and the other members of the Junta. This is how he explains his own feelings and what Gen Mendoza surely meant when he said, "The house of cards is falling down" when he resigned from office.

But today Willoughby's pride is focused on the National Action Movement (MAN). He predicts that when the political parties are legally recognized, everyone will know who is who in terms of nationalism. On another front, his concern is focused on the institutional process. In his opinion, constitutional reform is necessary so that the Constitution itself can be amended. He also expresses his opinion about the agreement reached by the political parties at the initiative of Cardinal Fresno. He states his points of agreement and disagreement with the document, and at the same time justifies Cardinal Fresno's efforts. There is another element of interest in Federico Willoughby's political analysis, however: the fact that for the past 5 years, on each anniversary of the military take-over he has reviewed the progress that has been made.

Reasons for 1973

[Question] Since the 1980 Constitution was approved, on each anniversary you have analyzed for COSAS the accomplishments of the military government. What is your opinion this time?

[Answer] On 11 September 1973 there was one attitude that prevailed in Chile: the hope that the country would resume the path toward development. This lasted for 2 or 3 years. Unfortunately, it was not possible to achieve this goal because of the way economic and social issues were handled. Another reason was that the transition which the Constitution stipulated was to begin

on 11 March 1981 was not actually taking place. There are still committees and sub-committees that will propose constitutional provisions to the legislative committees. This leads to a lack of confidence about the progress toward a true transition. This lack of confidence should be cleared up as soon as possible by the military and the government, because it is causing a lot of damage.

With respect to the near future, we must be confident and not fear any kind of instability. If the political and social forces were not capable of containing the Marxist threat, they would be calling on the military to remain in power. The reason the military feels compelled to remain is the absence of a sufficiently stable civilian alternative; the country cannot return to oblivion. If that happened, those who cried "force or chaos" would receive the full support of the nation, because the nation does not want chaos. The leaders that represent all sectors have a responsibility to reach an understanding that is broad enough that it can provide guarantees to Chile and the military that they are capable of leading the country without the military's help in running the government. The Armed Forces will take action on their own if any armed Marxist threat emerges. And the civilian forces should be sufficiently resolved to combat and eliminate the Communist Party and the groups that advocate violence, by means of the confrontation of ideas. If we do not understand this, those of us who advocate democracy are exposing the country to the risk of an internal war or tyranny. These situations would be much more serious than the one that led to the military uprising of 1973.

[Question] How do you reconcile that political situation, the need for leaders to be responsible, with the country's severe economic and social problems?

[Answer] If I could tell the citizenry about the magnitude of the problem, I would have to point out that we live in a country that is like Dickens' "Tale of Two Cities." The tale that is being told is being created by hunger, unemployment, and the lack of communication. It is the story of a real country that lives in misery and whose only hope is that social disorder will become so severe that the haves will be stripped of their possessions in order to meet the most urgent needs of the have-nots. That is not an ideological circumstance; it is a real fact.

The appeals for understanding and solidarity should not be mere rhetoric or promises for social aid, hand-outs given with a modicum of generosity toward people who are, in a way, destroying their human dignity. If we do not understand this, it will be impossible for those Chileans to avoid seeking the path of violence, because they have lost all hope.

This explains why I, a real protagonist of the revolution of September 1973, am alienated and pained by the turn of events today, because the commitments that were made at that time have not been fulfilled. This has damaged the credibility of those who signed the Declaration of Principles in March 1974, and also threatens the fate of the military. If I had remained silent and accepted some sinecure with a comfortable salary, I would be betraying my conscience. I did not do what I did on 11 September 1973 to create an eternal government. I participated in a movement that was designed to establish a new

set of institutions, to give hope to the hopeless, to respect the rights of workers, and to create the conditions that would put an end to the tyranny of the political parties, attaining a balance among the social and political forces in the name of Chile's development. I participated in a movement for the purpose of boosting production and lowering unemployment; so that poverty, which is the petrie dish of communism, could be eradicated in a common effort. All of these things, unfortunately, seem to have been forgotten. Today we are once again engaged in a quasi-electoral campaign under circumstances similar to those that prevailed in the country before the crisis of 1970. I am upset and angry about that. I think it is time for many Chileans to realize that we must reach an understanding so that we can provide an alternative for the military. Thus, the Armed Forces can launch a civilized, legal, rapid and efficient transition. In this way, we will be able to grapple with these problems, which are the most important and real issues the country faces. The vast majority of Chileans are afflicted by these problems, to the extent that they do not have enough to eat.

MAN and the "Agreement"

[Question] The National Action Movement was not invited to the meeting of political leaders inspired by Cardinal Fresno. Were you frustrated at being left out?

[Answer] I was not frustrated, because we participated adequately.

[Question] Nevertheless, you were not present at the deliberations . . .

[Answer] No, I declined to participate in the meetings. I told this to the cardinal and to the delegate Msgr Fresno subsequently sent to me with some proposals. I said that the National Action Movement was informed, through its president, of what was happening and of the meeting's scope and purposes.

[Question] Speaking of MAN, a decline in the political activities of certain leaders, such as Pablo Rodriguez and Benjamin Matte, has been observed. Have they left the Movement?

[Answer] Well, some were not behaving democratically, and consequently there was no room or support for them . . .

[Question] Who are they?

[Answer] Pablo Rodriguez and leaders who advocate corporate ideas. We must also consider that in the current situation, those who hold government jobs or professional positions cannot be expected to be too public about expressing independent political ideas, because they need to make a living. Thus, I cannot ask my fellow Chileans who are working so generously to spend all day on the soapbox. There are some people in the government--not the president--who spend all their time persecuting supporters of the regime who do not express that support unconditionally, 100 percent. That, moreover, is one of the factors that have eroded the government and isolated it by eliminating elements of value.

## The Constitution and the "Agreement"

[Question] The number of people who support the content of the political leaders' National Agreement, which was inspired by Cardinal Fresno, is growing larger every day. A key part of the document mentions current institutions and the provisions of the Political Constitution. What is your view of the country's institutional progress?

[Answer] I think the transitory articles of the 1980 Constitution, which was approved by the vast majority of the country, are still in effect. They are practically another constitution, and are being enforced by the authorities and the rest of the country because their origin is legitimate. Nevertheless, some circumstances are making clear what I pointed out a few years ago, namely that the Constitution would remain in its current state as long as this government lasts. Reality is proving that a significant majority of the population, in addition to academic sectors that have been studying the constitution in the different law schools, have found a number of inconsistencies and unfeasible situations that make it necessary to reform the document before the end of the transition period. We must bear in mind that the most important reform is precisely that which will enable us to amend the Constitution. The current articles of the Constitution are like a safe whose combination will be forgotten in 1989. If no one can open the safe, the Constitution will be violated or ignored. The continuity of the regime that was installed on 11 September 1973 and the spirit inspired by it will be much safer if the reform takes place before 1989, through the procedures set forth in that very Constitution, by means of a plebiscite for which President Pinochet himself paved the way in March 1984. He said at that time that the Government Junta would be empowered to call a plebiscite on matters of national interest, in anticipation of the formation of a congress. This fact shows that even before it became effective, the government was the first to announce that reforms were necessary.

[Question] That alternative was proposed in 1984; today President Pinochet has claimed that the Constitution must be defended, and its fundamental aspects must not be altered . . .

[Answer] That is what I call the ups and downs of government. There is a distinction which it is very important for the people to become aware of: the difference between the military regime, which overthrew the Marxist government, and the government. The government is run by the commander in chief of the Army, who is hierarchically the chief of all the armed institutions; but the four commanders in chief are responsible for the military regime. The regime and the government are two different entities. The Armed Forces are and should be an untouchable instrument in the day-to-day affairs of politics. The military is not responsible for such affairs; whoever is in charge of the executive branch is.

[Question] Then it would be up to the Armed Forces, and not the government, to decide to modify the Constitution?

[Answer] It was the chief of state who proposed the reform in the speech he gave on 11 March 1984, and I repeat that there has been concern about this

within the government itself. I would not be surprised if this opinion changed again, because it is part of the ups and downs of politics. But the fact remains that the situation has been noted by different civilian sectors, as well as the government itself. If the country is to continue operating in peace and the transition is to be a real transition, the only viable way of reforming it is for all Chileans to agree on how it is modifiable at this time. It appears to me that the military regime, in keeping with the spirit that caused it to assume power, can reach a military-civilian understanding as proposed in its Declaration of Principles precisely by setting forth a constitutional reform.

[Question] All of that is fine in theory, but in practice it is clear that the president of the republic opposes any initiative from the political-civilian sector. Isn't there a glaring contradiction here?

[Answer] I think that the president of the republic has been running the country and fulfilling political functions for some time. As a politician, he naturally has to defend the prerogatives that are useful to him in carrying out his policies. But that is a confrontation among politicians, not a constitutional problem for Chile; the problem that arises between the politician in office and the politicians in the opposition is a constant one. I am talking about a greater issue: the problem of the institutions vis-a-vis the future of the Constitution that was approved by the people, which goes far beyond political divisions between government and opposition.

[Question] And who goes from the political level to the higher level?

[Answer] The viewpoint of the institutions, as expressed through the Government Junta, which is empowered to call a plebiscite; the patriotic spirit that President Pinochet feels as a statesman, setting aside his position as a politician facing his enemies or managing his supporters; and finally, the desire expressed by a significant majority of the citizenry.

[Question] Many dissidents feel that the two meetings of traditional political leaders that were inspired by Cardinal Fresno have made more progress in terms of the country's institutions than in the 12 years of military rule. What is your opinion of this?

[Answer] First, I would like to explain that I believe that the papal initiative, transmitted through and developed at present by Cardinal Fresno, should not remain confined to the upper echelons of politics; the desires of the civilian population and of the Armed Forces should be expressed through different channels. I consider the agreement reached by certain political leaders to be a first step toward a much broader agreement, in that they have made a proposal and submitted it to the Cardinal for his consideration. Certainly other sectors of the population should participate in addition to the political sectors, because otherwise we would once again face the situation of the politician in office contending with those who want to be in office. Chile's problem right now is that the system is wearing down. Peaceful solutions will begin to wear down if the agreement is regarded as the same as constitutional guarantees, which is the same as the Byzantine discussions that took place during the liberalization. No, I see in the agreement a quite positive spirit

on the part of Cardinal Fresno, with whom I have been able to speak, and his advisers. I see a desire to achieve elements of unity that can go beyond the political leadership, that respond to social forces, that respect the military and that can achieve an understanding. This understanding would not have to take place this month, or this year, or even next year. It is a slow road that can be built gradually between the civilians and the military. We Chileans could be proud of such an understanding because it would mean we are capable of resolving our problems differently than other countries do: without violence or vengeance. Here there is a much broader desire, a political maturity that suits Chile. I understand the question, because it interprets public opinion very well. For a long time, there has been a widespread view that politics is bad and that politicians are bad. This is a very valid tactic, but its effect has been to inhibit the younger generations from participating in public life in a legitimate way. Nor have any channels for participating in public life emerged, so we have several million youths who mistrust public action. What does this mean? It means encouraging these young people to believe they can solve their problems only through violence, and that is not fair. It is deceitful.

[Question] In this context, how would you rate Cardinal Fresno's effort?

[Answer] There are two factors that justify his effort: first, the spiral of violence and insecurity created by extremist polarization, and second, the lack of initiative to normalize public life in a stable way. These two factors are obviously of concern not only to us, but also to friendly countries in the Western and Christian world. That is why the Pope is really the one who inspired the cardinal's effort, which was backed up by the Episcopate.

[Question] Given the current political situation and the signing of the Agreement, do you think it will be possible to carry out the provisions of the Constitution in 1989?

[Answer] I think it will be difficult. Unfortunately, there has been a decline in moderation with respect to the conduct of government, and in the prospects for a clear future. What is worse, there has been a loss of credibility in public morals. On the other hand, we have had painful experiences with human rights and other events that have changed the face of things. There is a lack of credibility, and unfortunately mistrust is on the rise. The military as an institution is absolutely innocent, so it would have no reason to take the blame for the problems generated outside its professional purview. The heart of the matter is whether the Armed Forces are to be involved in politics or maintained as a reserve, as a security authority with an institutional role in the future. I can state categorically, because I know it to be true, that the members of the Armed Forces always feel more attracted by their professional functions than by political quarrels.

The Movement and the Man

[Question] Will MAN sign the declaration of the political parties advocating democracy?

[Answer] I have already stated that I see no problem in the agreements that the political leaders have forged, because these agreements respect the government and the military regime, first of all; they also recognize the Constitution of 1980, although they make no reference to it except in minor points related to the presidential succession and other matters. But by failing to take a position on other issues, such as the National Security Council for example, they are accepting the existence of these bodies, and accepting the overall nature of the 1980 Constitution. The document is being treated with great fanfare. I think that political life will now be divided between "before the Agreement" and "after the Agreement." I sent the cardinal some of my observations, all of them positive, to reiterate that the harmony and tranquility of Chile's transition to democracy depend on respect for the Constitution, on the modification of the Constitution through the channels I mentioned earlier, and on an understanding that would prevent this peace effort from being interpreted by the demagogues, the power-hungry and the hasty as a license to kill. This would prevent a few crazies from saying, Well, the political leaders reached an agreement, now we are going to hold a social protest, we are going to demand the head of so-and-so. They would be revealing that they had not understood a thing. A declaration is simply a declaration, to the extent that it does not generate understanding and commitment on the part of the people it is aimed at. Thus, we must achieve a coalition here that is composed of more than the political elite. The coalition must include the intellectuals, businessmen, the youths who will be part of political life in the coming years, and primarily the social forces. The Communist Party should be tacitly excluded. Otherwise, this will just be one more political declaration. And here we come up against a much more serious phenomenon. We are trying to find a way out for the country that does not involve a clash between extremes. Such a conflict arises out of the Communist Party's insistence on seeking the path of violence, and attempts by other extremist sectors of the government to polarize the country's situation. Chile does not want that; we citizens who are concerned about public affairs do not want that; national public opinion does not want that; nor could the Armed Forces, who have put their lives on the line and have given up practicing their professions for 12 years in hopes of receiving some payment from Chile in the future. We all must make an effort to form a coalition that is broader than a political pact. Political pacts are like love pacts; they last until a better alternative comes along.

[Question] But do you, Federico Willoughby, favor signing the declaration?

[Answer] As an individual, I favor signing the declaration as written, but in my opinion, it is deficient in that it does not represent the other sectors I mentioned, and it is not emphatic enough in recognizing the anti-communist position this country should have in the world. This country belongs to the democracies of the Western, Christian world. So if this document represents an agreement hammered out by the political leadership, in order to overcome the understanding barrier with the military, it must have elements much more capable of convincing everyone that a firm decision has been made not to return to the ways that permitted the enthronement of Marxism in Chile. Nevertheless, as a political leader, I believe that we should support Msgr Fresno's initiative because that is the desire of the rank-and-file members whom I have consulted. I stated as much in the observations I sent to the cardinal,

and he will have to decide whether to make them public. Basically, these comments have to do with the fact that a much broader spectrum than just the top political echelons must be considered if the two basic conditions for a change of mentality in Chile are to be brought about. This document would be completely representative if there were political laws and the signatories were valid interlocutors. Today, that representativeness does not exist because it cannot be verified.

8926

CSO: 3348/960

CHILE

SALE OF STRATEGIC STATE ENTERPRISES TERMED SECURITY RISK

Santiago CAUCE in Spanish 27 Aug 85 pp 36-37

[Text] Unless there are unforeseen developments, Chile will begin selling off some of its strategic enterprises in September, the month of our national holiday. The economic groups are thus preparing to realize a longstanding ambition of the Chicago Boys: to transfer to private hands our main state-run companies (CHILECTRA [Chilean Electric Company, Ltd], the Telephone Company, ENDESA [National Electric Power, Inc] and ENTEL [National Telecommunications Enterprise], among others. A study on the "Privatization of Public Enterprises" that was assigned to the Universities of Chile and Santiago last 9 August seems to have marked the beginning of the end for assets that belong to all Chileans.

Between September and December of this year the Production Development Corporation (CORFO) expects to make 10 billion pesos from the sale of 30 percent of the shares in enterprises that over the past 2 years posted a profit margin higher than 10 percent.

Although the military government has emphasized the chances that the workers have to become the "owners" of their enterprises by buying shares in them, their assessment is unanimous: this is just another onslaught designed to benefit not only the greedy domestic economic groups but also, and more dangerously, major foreign investors.

One Officer Says "No"

A lone but strong military voice has also been heard opposing the so far successful offensive of the economic team of Finance Minister Hernan Buchi. "...I've told His Excellency the president of the republic this for the past 10 years. I sold 500 state-run enterprises when I was in CORFO. But there are enterprises and there are enterprises, and I don't think that ENDESA, ENAP [National Petroleum Enterprise] or CODELCO [Copper Corporation], for example, ought to be sold," said the commander in chief of the Southern Military Region, the intendant of Punta Arenas and the former economy minister, Maj Gen Luis Danus Covian.

Countering the arguments in favor of privatization (the private sector is more efficient, and an economically powerful State restricts individual freedom),

the major general said that he was convinced that ENDESA, ENAP and several other such enterprises "are being run efficiently and the country can truly be proud of them."

"First of all," Danus added, "they would have to be sold to foreigners, because I don't think that that kind of money exists in Chile, and I don't feel that ENDESA ought to be sold under those conditions. I would vote no. Even selling it off to domestic investors runs counter to the principle of a subsidiary role, because let's suppose that a group of extremely wealthy people could acquire ENDESA. I wouldn't hand it over because it's the source of all our electric power. I wouldn't do it," he repeated. There are some things that can be done with the subsidiary role approach, which is the one the government takes, and there are others that cannot."

#### An Old Story

The economic team controlled by the Chicago Boys has systematically sought to sell off the State's assets (the CORFO enterprises), which date back to the administrations of Pedro Aguirre Cerda and Juan Antonio Rios.

In March 1984 the government announced its decision to sell 30 percent of the shares in public enterprises to the Pension Fund Management Companies and to private individuals.

Five months later, the regime's adviser, Carlos Urenda Zegers, asserted that the government's share in these enterprises would be reduced to 40, not 67 percent as had been announced.

The workers in the affected enterprises reacted immediately. On 7 August of that year, union leaders, having formed a State-Run Enterprise Defense Commando, sent a personal letter to General Pinochet expressing their concern over and opposition to the sale of stock in ENDESA, ENAEX, CHILECTRA and CTC, which was to begin the following day on the Stock Exchange.

"In our judgment," they indicated, "true nationalism means an unconditional defense of the national patrimony," and they warned about the danger to national security of allowing transnational corporations to control such delicate and strategic fields as energy, communications and the manufacture of explosives.

The offensive continued this year. The endangered enterprises, aside from the ones already mentioned, are: SOQUIMICH [Chilean Chemical and Mining Association], CAP [Pacific Steel Company], Laboratorio Chile, ECOM, ENAP and affiliates, ENAMI [National Mining Enterprise], IANSA [National Sugar Industry], ENACAR [National Coal Enterprise] and affiliates, the State Insurance Institute, INACAP [National Professional Training Institute], EMPREMAR [State Maritime Enterprise], EMPORCHI [Port Enterprise of Chile], Mail and Telegraph and EMOS.

Most of them provide basic public services, and the high profit margin of some makes them tempting targets for economic groups such as the Vials, the Cruzats, the Angelinis, the Edwards and other emerging groups. The workers

are the alleged beneficiaries of "grassroots capitalism," the policy that the government is now pushing to enable Chilean to own assets, but they are hardly able to buy shares of stock. An example: In the specific case of CAP, S.A., the idea is to issue 329 million shares to bring in \$82 million. The minimum share price will be 47 pesos each. If 80 percent of these workers' severance pay fund were used to purchase shares, they would be able to buy only 5 percent of the stock issued. As in corporations, the largest shareholders elect company directors and monitor their performance, and thus these workers, with their small shareholdings, would have no input in decision-making.

#### A Monopoly on Patriotism

"I want to ask the Armed Forces, who claim to have a monopoly on patriotism in this country: Why are you, under a military government, handing over the national patrimony to the private sector?" remarked Hernol Flores, a leader of the CDT [Democratic Federation of Workers] and president of ANEF [National Association of Government Employees].

He went on to say that the Armed Forces cannot shirk their responsibility or sidestep the question, especially since they accuse labor leaders of being unpatriotic when they report the abuses to which Chilean workers are subjected to international organizations. "It so happens," he added, "that neither we civilians nor the opposition are selling out the country. The people doing that are in power and are wearing uniforms."

The labor leader said he hoped General Danus's protest would be well received in the government.

The same hopes are harbored by labor attorney Jorge Blas Morales, who on the second of August filed an injunction [recurso de protección] with the Court of Appeals against CORFO in behalf of the Concon oil workers, the workers at the Chilean Telephone Company and at the National Electric Power Enterprise. "I think that when voices are heard from inside the regime, such as that of the Punta Arenas intendant, we can begin to hope that someone there will finally do some self-analysis and criticize the economic policies that have been pursued up to now in the country."

The bishop of Punta Arenas, Monsignor Tomas Gonzalez, went even further, proposing a plebiscite, because "the assets of our homeland belong to our homeland, and therefore, before they are sold to private domestic or foreign organizations, we should ascertain the opinion of all citizens."

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CHILE

HOUSING CONSTRUCTION EFFORTS SAID INADEQUATE, LOSING GROUND

Santiago CAUCE in Spanish 27 Aug 85 p 42

[Passages enclosed in slantlines printed in boldface]

[Text] What is the outlook for the construction sector in our country today?

"In the past 12 years, construction has been unable to recover the levels of activity it attained in 1970. This has three serious consequences: a sharp jump in the housing shortage over the past few years, which has revealed the resounding failure of the military regime's housing policy; a very serious deterioration in the country's infrastructure, and an obvious worsening of construction workers' living conditions, with spectacular plunges in employment, low wages and the over-exploitation of workers."

This statement was made to CAUCE by Jose Santos and Valentin Osorno Badilla, leaders of the National Confederation of Construction Workers.

They added that /"the overall performance of the sector is very unstable, with booms and busts, because it is highly sensitive to economic ups and downs."/

The leaders also explained that in 1971, approximately 80 percent of investment in this area was by the public sector, while in 1981 nearly 100 percent was private. /"The biggest mistake is to turn over responsibility for construction to the private sector, since its objective is to make profits,"/ they stated. "Nor do we agree with the housing subsidy provided by the regime, because it means that the lowest income people will never obtain housing." In the view of the two men, /"the state should direct the process of housing construction, taking over all investment in this sector."/

Regarding the aftermath of the 3 March earthquake, they indicated that /"there has been no serious reconstruction plan on the part of the government,"/ and that the regime has not yet responded to the many petitions they have submitted to request hearings.

/"We see a bleak future for our sector. As long as the foreign debt remains high and the current system prevails, there is no possibility for a solution,"/ they stressed.

The top leaders of the construction sector have been repressed by the regime for calling attention to this serious plight. Sergio Troncoso was sent to Melinka, and the foremost leader, Hector Cuevas, has been in exile since 1982.

#### Businessmen

The president of the Chilean Chamber of Construction, entrepreneur German Molina Morel, indicated that his general impression is that /"construction activity will continue to develop at the same pace as in 1984. If the country's economy grows at 2 percent this year, we will grow at the same rate."/

Molina's opinion is similar to that of the workers in one regard: /"In general, construction activity is still depressed, and there is no sign that this situation will change throughout the rest of the year."/

#### Midget Houses

In 1970, 190,000 people were employed in the construction industry across the nation. In 1984, that figure dropped to 115,000 people.

The country's overall jobless rate was 5.7 percent in 1970, and construction accounted for only a small part of that. In 1984, the figure soared to 32.2 percent in that sector.

With regard to the Index of Salaries and Wages, in 1983 construction workers earned 20 percent less than in 1970. This trend still continues.

As for building, between 1965 and 1970 an average of 40,605 dwellings were built each year, totaling 2,507,000 square meters. In 1984, 41,755 houses were built, totaling 2,128,000 square meters. Thus, it is obvious that while more houses were built than in the aforementioned period, the size of the homes shrank considerably. In other words, there are plenty of houses . . . for midgets.

In 1970 there was a housing shortage of 350,000 dwellings. In 1984 that figure rose to 900,000. In 1970, 1.5 million people needed houses; by 1984, that figure had more than doubled, to 3.5 million.

The private sector debt in the construction industry now totals \$800 million, some 144 billion pesos.

Available figures indicate that 70,000 homes were destroyed in the 3 March earthquake, which adds to the housing shortage. Another 130,000 homes were damaged, along with 22 hospitals and 176 schools, not to mention bridges, roads and other public and private works. The total damages added up to an astronomical 186.494 billion pesos.

The statistics contradict the widespread assumption that the earthquake would provide a boost to the construction industry.

In March of this year, construction starts rose by 35.5 percent compared to December 1982, but the April increment was just 32.3 percent. This proves that after the devastating tremor, the highly touted increase in construction activity never materialized; in fact, it declined significantly.

Sources: National Institute of Statistics (INE), PET [expansion unknown] (Academy of Christian Humanism) and "Bulletin of the Alejandro Lipschutz Institute of Sciences."

8926  
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CHILE

BRIEFS

INDICTMENTS AGAINST MAGAZINES REJECTED--Santiago, 24 Sep (EFE)--The appellate court today rejected the petitions made by the Chilean Government to indict journalists working for the magazine ANALISIS and the publisher of the Jesuit magazine MENSAJE. The first instance rulings were favorable to the journalists working in these two opposition magazines, but the interior minister appealed and now the appeals have been turned down. In both cases, the government of General Augusto Pinochet charged the magazines with violating provisions established in the state internal security law. The petition for the indictment of priest Renato Hevia, the publisher of MENSAJE, was based on editorials published in February 1985. The indictment against ANALISIS publisher Juan Pablo Cardenas and other journalists working for that opposition magazine was based on editorials and articles published by ANALISIS in several issues beginning in June 1985. [Text] [Madrid EFE in Spanish 0406 GMT 25 Sep 85 PY]

CSO: 3348/4

COLOMBIA

PRESIDENTIAL CANDIDATES' CAMPAIGNS IN 'LOW PROFILE' STAGE

Bogota EL TIEMPO in Spanish 10 Sep 85 p 11-A

[Article by Roberto Pombo]

[Text] The presidential campaigns being waged by the candidates of the different parties have one thing in common: all are low-key, in contrast to the vehemence of campaigners in other years. It has not yet been determined whether this is due to a publicity strategy, or to Colombians' increasing incredulity.

Unlike previous presidential campaigns, this one has shown, in general, what the specialists call a "low profile." This means that the candidates have not focused their appearances on the traditional open-air speeches, and have confined themselves to relatively small audiences.

The first candidate to hit the campaign trail was Alvaro Gomez, who staged a triumphant return to Colombia in an attempt to start off his presidential campaign with a bang. The result of that first outing was more successful from the publicity standpoint (the mass media's echoing of the candidate's slogans) than from the standpoint of attracting large numbers of followers to the events in Barranquilla.

Since that time Gomez Hurtado has spoken on many occasions, but all of them in small places before small audiences. He has taken on a colloquial, more or less intimate tone, which at first surprised even some Conservative politicians. Taken aback, they described Gomez' candidacy as very cool.

There are two reasons for this behavior. On the one hand, Gomez Hurtado feels this process should be begun by establishing direct contact with specific sectors (trade unions, community associations, etc.) as a way to discuss certain issues with each of these groups. On the other hand, the campaign has been designed to take place in two specific stages.

Persuasion and Enthusiasm

The Conservative campaign has called the first part the "persuasion stage" and the second one the "enthusiasm stage." In this way, the plan is to disseminate Gomez Hurtado's ideas about the different issues preparatory to the

party's convention. After that, the campaign will heat up, with rallies, speeches and inspirational activities.

Virgilio Barco has assumed a stance similar to that of Alvaro Gomez in terms of the tone of his speeches. Before the Liberal convention he made several open-air, public speeches, but they became less and less frequent before his nomination. Since that time, he has limited his appearances to "media events" (in what his campaign directors call "establishing an image").

This is why the Liberal candidate has been seen visiting small farms, market-places and welfare institutions. As a result of these visits, the public has a casual image of the candidate and his statements about whatever issue has prompted his appearance.

Several people involved in planning election campaigns point out that Barco should keep his appearances before mass audiences to a minimum, because that is not the best way to communicate with his followers. They feel that the candidate's personality comes out "warmer" in informal chats, and that may be why this stage of his election strategy is leaning in that direction.

#### Orators

Luis Carlos Galan, J. Emilio Valderama and Alvaro Uribe Rueda have proven to be more traditional orators, the first with much more success than the other two.

In this campaign Galan is keeping the same image he established in the last one, that of an aggressive, impetuous, non-conformist leader with a preference for public rallies over conferences or boardrooms. This kind of rapport with the people is more in keeping with his position and ideas.

Galan boldly launched his presidential campaign in the Plaza de Bolivar (nearly filling it), but since then he has made his principal appearances before smaller audiences, though larger than those of his opponents. These occasions have been characterized by a mixture of rousing speeches and the straightforward presentation of the issues before audiences of 1,000 to 2,000 people.

The rather tepid attitude of the three leading candidates is due in part to the logical scheduling of activities in a long campaign, which calls for the temperature to rise gradually until it reaches a climax on the eve of the elections. There are two other overwhelming reasons, however: organizing a rally is very costly, and politicians are becoming less and less convinced of the value of mass events.

#### From Rallies to Opinion Polls

In the last parliamentary and presidential elections, the politicians of the different districts realized that campaigning was getting more and more expensive because of the high costs of advertising and organizing mass events. Moreover, there is no denying that politicians' declining credibility has eliminated the likelihood of spontaneous demonstrations.

This undoubtedly means that campaigns have to be geared increasingly to smaller audiences. In addition, because of urban growth politicians no longer feel that there is a direct link between the number of people who attend public demonstrations and their voting behavior. In urban centers it is becoming increasingly difficult to move people from one place to another.

Even though the general tone of this campaign can be described as cool, however, the candidates' aides agree that "the best is yet to come."

8926

CSO: 3348/965

COLOMBIA

POLITICAL, BUSINESS GROUPS PROTEST TRUCE EXTENSION

Bogota EL TIEMPO in Spanish 7 Sep 85 pp 1-A, 3-A

[Text] The proposal which the Revolutionary Armed Forces of Colombia (FARC) have made to the government to extend the truce until September of next year has been repudiated by the different political and business sectors of the country. They consider it unacceptable to allow groups to proselytize for armed uprisings during the present election campaign.

They also called on President Betancur to delineate clearly the conditions under which the elections will be held, and they repeated their demand for full guarantees for campaign activities.

The FARC submitted a document to the president 2 days ago, in which they proposed that the truce agreements, which expire on 1 December, be extended until September of next year. The purpose is to enable the government to complete the political and social reforms it agreed to when the cease-fire pacts were signed.

They also called for the unification of the peace and verification commissions, and the inclusion in that body of different political, military and community organizations in order to make it more effective.

Meanwhile, in Puerto Nuevo, Guaviare, a meeting was held yesterday to study the FARC's request to extend the truce until September of next year. Present were commission member Hernando Gonzalez Villamizar; Luis Lozada, leader of the FARC 7th Front; and Juan Sebastian Betancur, director of the National Enterprise for Telecommunications (TELECOM) and chairman of the Guaviare verification subcommittee.

Liberal candidate Virgilio Barco stated in this connection that the government has an obligation to leave the situation clearly defined in terms of the peace process, so that the incoming president does not inherit complicated public order problems.

Conservative primary candidate Alvaro Gomez Hurtado, on the other hand, asserted that the truce can only be unilateral, because it is legally non-existent. Moreover, he said, the state cannot fail to fulfill its functions.

Former Foreign Minister Carlos Lemos Simmonds stated that the parties, especially the Liberals, "should be careful not to fall into the trap of the armed truce proposed by the FARC." He added that this group's intention "is simply to maintain the alarming state of affairs that has led the Liberal Party itself, the Conservatives, and even the bishops to complain to the government that there are not enough guarantees for holding an orderly and peaceful election; a few political groups enjoy the privilege of an armed wing, while the others are left defenseless, at the mercy of the violent ones."

#### Government's Responsibility

Conservative Senator Hugo Escobar Sierra stated that it is up to the government and the peace commission to respond to the FARC proposal. "For my part," he said, "I can express a concern which certainly affects all Colombians, and that is the fact that it is unacceptable for this proposal to be negotiated on the basis of maintaining weapons and even using the uniforms of the security forces for certain purposes. This constitutes an undue supplantation of these forces."

He added that of greater concern is the possibility that they may continue to operate sporadically in certain areas of the country during the upcoming elections, "using extortion to finance the election campaign and even to provide support to the guerrilla columns."

#### No More Concessions

Former Conservative Minister Gabriel Melo Guevara, editor of EL SIGLO, said in Pasto that all kinds of generous concessions have been given to achieve peace, and that it would be illogical to continue giving them without any positive response from the armed groups.

"At this rate," he indicated, "we would very soon run out of things to concede, and no peace would be achieved."

One of the deputy directors of the Liberal Party, Councilman Ernesto Samper Pizano, stated that at this time the political climate is not propitious for extending the truce until 20 September 1986, "because there is understandable uncertainty among the political parties about going into the elections with some groups armed and others defenseless."

He acknowledged that if the truce is not extended the agreements with the FARC could be endangered, but he pointed out that "apparently there are still 3 months left in which to reach an agreement to salvage the process before declaring it a failure."

The president of the Association of Colombian Farmers (SAC), Carlos Ossa Escobar, who is a member of the verification commission, stated that "the government cannot continue to vacillate on pacification; it should study the FARC document right now to see what their real intentions are."

## Turn In Weapons

Senator Hector Polania Sanchez said that "the FARC and the country have had enough time to decide whether they want to continue this nebulous truce, an equivocal and illegal situation, or whether they want to enter into a definite peace."

"I do not think the FARC's proposal is appropriate, although I regard it with respect; I think that what the country needs is real peace, not a truce with armed proselytism, extortion, racketeering and other illicit activities that have been seen during the truce. I think that they should turn in their weapons on 1 December," stated Hector Polania.

Various Liberal spokesmen told EL TIEMPO that the government has an obligation to define the situation of those who have taken up arms, with a view to the upcoming elections. Since it has not invited the Liberals and other political sectors to help engineer the peace process, they noted, it cannot expect them to share in the responsibility now.

They said it was the government that came up with the terms "cease-fire" and "truce," so the administration will have to accept the blame for whatever happens. It will also have to guarantee the normal conduct of the election campaign, in keeping with its constitutional duty to keep the peace.

They also pointed out that the extension of the truce would mean not only holding elections with armed groups present, but also passing on the problem to the next government.

Former President Misael Pastrana Borrero declined to comment on the matter, because he stated that he has not had a chance to study the FARC document thoroughly enough. He did promise to make a statement in that regard as soon as he has studied the document.

## Government Minister and FARC

Minister of Government Jaime Castro met yesterday morning with FARC leaders, who explained the details of the proposal. The minister will meet with the president to discuss the proposal, and will then give the armed groups an answer.

Senator Alberto Casas Santamaria declared that "the proposal must be studied with great care, and a positive response should not be anticipated unless we are totally certain that they are not hoodwinking the president. Moreover, this situation should be cleared up now so that the next administration is not stuck with it."

## Barco and Industrialists Comment

Industrial leaders warned in Bucaramanga that there is a danger that the FARC are trying to extend the truce in anticipation of congressional passage of the bill on the popular election of mayors, and in the hope that they will be able to set up their own independent republics.

Liberal presidential candidate Virgilio Barco Vargas stated that the truce extension proposal submitted by the FARC, supposedly the armed wing of the Communist Party, "must be done in good faith; it cannot be a mere stratagem to hang onto their weapons until the elections."

Conservative presidential aspirant Alvaro Gomez Hurtado contended that any decision on the truce can only be "unilateral," because legally it does not exist. Moreover, the state cannot fail to fulfill its functions."

Fabio Echeverri Correa, president of the National Association of Industrialists (ANDI), stated with regard to the FARC suggestion of extending the truce that "I see nothing but a political strategy very adeptly pursued by the FARC. They are asking for more time so that they can maneuver in Parliament to pass the bill on the popular election of mayors."

This process, according to Echeverri Correa, will guarantee that the FARC "in the future will have not only an armed wing, but will also have their own mayors in areas where they want to set up independent republics. They will have the police in their pockets, and the mayors will be independent of the governors."

"Do you feel that the truce should not be extended unless a peace pact is signed first?" he was asked.

"That was what was agreed to, and what the country was told. We supported the peace process with that understanding."

Gomez Hurtado called for an effort to restore the administration of justice.

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COLOMBIA

BUSINESS LEADERS DOUBT EFFICACY OF NEW EMPLOYMENT PLAN

Bogota EL TIEMPO in Spanish 7 Sep 85 p 8-A

[Article by Carlos Pineros]

[Text] Bucaramanga, 6 September--Business associations today expressed great skepticism about the likelihood of the development and success of the employment plan announced by the government this Friday. At the same time, small industries and financial institutions proposed the partial or total dismantling, on a temporary basis, of the current labor system that governs new industries and jobs.

The president of the National Association of Financial Institutions (ANIF), Juan Diego Jaramillo, announced that next Monday he will send to Labor Minister Jorge Carrillo Rojas a proposal for suspending labor legislation governing all new industry and jobs for a period of 5 years. This would deregulate and expedite hiring and the setting of wages and benefits.

Noting that when Carrillo Rojas was sworn in before President Belisario Betancur, he stated that the private sector generates employment and therefore should be the one to propose formulas to alleviate the record unemployment that plagues the country today, the president of ANIF indicated that he will submit the aforementioned proposal to the labor minister for consideration. The proposal also includes preferential tax treatment for companies that provide new jobs.

Jaramillo agreed with the merchants that in view of high financial, fiscal and labor costs, it will be impossible to create new jobs in the short term. He did not discount the viability of a proposal that Belisario Betancur made during his presidential campaign, under which businesses that opened up new jobs would receive tax rebates.

The business association representatives interviewed here expressed great skepticism about the employment plan approved by the National Council for Economic and Social Policy (CONPES), which would place new emphasis on the construction industry (principally low-income housing), rural production with foreign credit support, and industrial development based on lower tariffs for raw materials and capital goods.

Fabio Echeverri Correa, president of the National Association of Industrialists (ANDI), said that any effort at reviving investment and economic activity is healthy, but he warned that that falls far short of creating new jobs. "That does not provide full employment just around the corner," he asserted.

Juan Martin Caicedo Ferrer, president of the National Federation of Businessmen (FENALCO), agreed with Echeverri Correa that there are good intentions when it comes to coping with one of today's most critical problems: unemployment. "We must understand that there is no way a problem that has been plaguing the country so overwhelmingly can be corrected in 24 hours. The problem is linked to the structural stumbling blocks that must be removed."

Juan Alfredo Pinto Saavedra, president of the Colombian Association of Small Industries (ACOPI), said it was "pretentious" to give the name "plan" to what CONPES announced as an alternative for dealing with unemployment.

"We are the wisest alternative, but no one has ever called us, not even to participate in the Chenery team or to discuss strategy. We should make sure the forces of capital and labor work together to devise more comprehensive and more feasible methods. The CAT's [expansion unknown] proposal to create new jobs and provide subsidies or tax breaks for the creation of new jobs has been left by the wayside."

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COLOMBIA

PUBLIC WORKS INVESTMENT PLAN TO COMBAT UNEMPLOYMENT

Bogota EL TIEMPO in Spanish 7 Sep 85 p 1-A

[Article by Jose Suarez]

[Text] The government laid the groundwork yesterday for an ambitious emergency program to combat unemployment that could create nearly 500,000 new jobs in the country's rural and urban areas. President Belisario Betancur will reveal the details of the program next Friday.

At the same time, it was announced that foreign credit amounting to nearly 77 billion pesos will be obtained immediately to strengthen the rural sector, through the Agriculture and Livestock Financial Fund (FFA).

Two new public investment plans were approved simultaneously, for a total cost of more than 21 billion pesos. The investment will take place on the Atlantic coast and in the violence-ridden areas that are undergoing rehabilitation.

These announcements and decisions were revealed yesterday at the end of two working sessions held at Narino Palace by the National Council for Economic and Social Policy (COMPES) and the economic team.

The short-term plan to attack one of Colombia's primary problems, unemployment, will be based on the following aspects, as EL TIEMPO reported earlier:

1. Reactivation of the housing policy through the Territorial Credit Institute (ICT), by shoring up that agency's finances. The government has already transferred 10 billion pesos to the ICT.
2. Revision and dismantling of tariffs on goods that are essential for the country's agricultural and industrial production.
3. Establishment of special economic zones in urban and rural centers to promote business and jobs.

The government's initial examination was conducted on the basis of a document drafted by the Finance Ministry. The National Planning Office will add to the document between now and next Friday.

President Betancur himself will explain the meaning and scope of this short- and medium-term plan to the Colombian people. It is regarded as a complement to the long-term work the Chenery Mission is carrying out for the same purpose.

It is public knowledge that Colombia's overt unemployment rate is now 14.7 percent, according to the government's own statistics.

#### Development Minister

Development Minister Gustavo Castro Guerrero stated that the economic team began an exchange of ideas to seek a solution to the unemployment problem. It is working through the Chenery Mission and on short-term projects to respond to this problem.

He noted that just as the jobless rate has risen, so has employment, paradoxically. In the past year, 200,000 new jobs have been opened up.

The problem, then, is that the growth rate of the population that is seeking work has been greater than the rate of new job creation.

The minister indicated that next Friday the discussion of the matter will continue, and President Betancur will inform the nation of the results.

Regarding the special economic zones, he explained that a bill on this subject is being considered in Congress. The idea is to convert the country's six free zones into special economic zones for the creation of jobs.

As for the ICT, he stated that a strategy has been designed that will enable that institute to obtain the resources it needs to meet its target of building 14,000 new dwellings this year. The studies include the possibility of issuing more bonds to obtain resources.

Castro Guerrero will go to Cartagena next week to discuss the free zones project with the members of the Chamber of Deputies 8th Committee.

#### Planning Chief

Planning chief Jorge Ospina Sardi reported that the government had begun discussing the emergency unemployment plan and confirmed that President Betancur and CONPES will reveal more details next week.

He indicated that various points of view have been presented, and the next CONPES meeting will be devoted exclusively to this matter.

#### Agriculture Minister

Agriculture Minister Roberto Mejia Caicedo pointed out that the short-term plan seeks to activate employment in the rural sector through forms and contracts that will provide for better use of productive lands without violating existing norms.

He announced, as a consequence, possible ways of leasing land in the agrarian sector that would stimulate and increase food production and use more manpower, thus creating jobs.

Minister Mejia Caicedo recalled that the agriculture and livestock sector is the country's backbone, and that if more jobs are opened up and people are given more opportunities to produce food, many problems can be overcome.

He explained that on the rural front, "we will have to seek increasing opportunities for credit, the elimination of some surcharges that have been imposed on the sector (in the form of taxes), and more incentives."

The minister stated that the country will have good food production indices, according to the preliminary figures.

He confirmed that the government is working on dismantling tariffs for the agriculture and livestock sector. "Basically, the goal is to favor and protect national production," he added.

#### Infusion into ICT

Vice-Minister of Finance Maria Mercedes Cuellar de Martinez said that the ICT is assured of receiving 10 billion pesos in resources, which will enable it to pay its obligations to contractors and creditors, and to reduce its debt considerably between now and December.

"We are seeing how it is possible to obtain financing to meet the target of building 14,000 housing units in 1985," she added.

She declared that ways of furnishing that financial support are being sought, including the floating of bonds.

In the middle of this week the Ministry of Economic Development approved some measures aimed at supporting the ICT, including providing the 10 billion pesos. Of that amount, the Industrial Development Institute (IFI) was authorized to invest 5.1 billion pesos in ICT low-income housing bonds.

The vice-minister stated that next week CONPES will put the finishing touches on the short-term plan to combat unemployment. The economic team will begin an intensive effort in that regard on Monday.

#### Agricultural Resources

Regarding the strengthening of the Agriculture and Livestock Financing Fund (FFA) to channel more credit to the rural sector, the vice-minister announced that negotiations are underway to obtain \$500 million in loans from the World Bank and the Inter-American Development Bank (IADB).

The announcement appeared to be a direct response to leaders of the private sector who complained in the last few hours about the loss of resources by that fund.

Of the \$500 million in loans, \$200 million will come from the World Bank and \$300 million from the IADB.

The vice-minister admitted that the FFA is having problems with funding, and that the government is looking into ways to expedite the processing of foreign loans for the sector.

Despite that interest, the loans would not begin to come in until early next year anyway, she said.

#### Investment Projects

Yesterday CONPES approved government guarantees of foreign credit for two new public investment projects: one for the Municipal Public Enterprises of Barranquilla, and the other for the Local Road Fund, aimed at the rehabilitation zones.

The two projects will cost a total of \$137.7 million, equivalent to more than 21.068 billion pesos at the present exchange rate.

In the first case, the Municipal Public Enterprises of Barranquilla will cost \$41.7 million. Of that amount, CONPES agreed yesterday to allow the nation to guarantee \$24.0 million, which will be borrowed from the World Bank.

These funds will be used to expand the city's aqueduct, sewage and sanitation systems; to expand the production of water and modernize equipment; to pay for the sewage system and garbage collection; and to pay for equipment, civil construction works and technical assistance.

The World Bank loan must be paid off in full in 17 years, with a 4-year grace period and an interest rate of 9 percent.

The second project, the Local Road Fund, will cost a total of \$96 million. Of that amount, CONPES approved government guarantees of \$50 million, which will be borrowed from the World Bank. The loan carries a term of 17 years, and 9.2 percent interest.

The money will enable the Fund to build 883 kilometers of new roads, to rehabilitate 831 kilometers, to maintain another 5,340 kilometers, and to improve 50 kilometers of road channels.

The projects will open up access to agriculture and livestock production areas, which will cut transportation costs and generate more employment.

The department of Santander will benefit most from these projects, receiving \$20 million of the total cost.

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COLOMBIA

OXY OIL COMPANY LAUDS FLEXIBLE NATIONAL EXPLORATION POLICY

Bogota EL TIEMPO in Spanish 9 Sep 85 p 8-A

[Article by Jose Suarez]

[Text] The oil discovery in Cano Limon, Arauca, the most significant finding in Colombia in recent decades, was on the verge of failure. The sole reason for its success was the country's current flexible oil policy.

This was revealed by the Occidental Petroleum Corporation (OXY) of the United States, which carried out all the prospecting and investment at its own risk and cost. Now the company is ready to extract the crude oil in association with the Colombian Petroleum Enterprise (ECOPETROL).

Cano Limon, as is well known, will enable Colombia to regain self-sufficiency in oil-based fuels by 1986, and to begin exporting surpluses once again in 1987.

The vice-president of Occidental Exploration and Production Co., James B. Taylor, revealed hitherto unknown details about the difficulties OXY faced in Arauca in finding the Cano Limon crude. The information is contained in an article published in the magazine DE MARES, put out by ECOPETROL.

Some of these problems had to do with OXY's budget situation. Before the negotiation with Shell and the confirmation of the oil deposit, OXY had offered other oil companies part of its interest, without result.

Taylor states in the article that OXY was aware of oil's political significance, and this awareness has helped it remain in the countries where it operates despite changes in tax systems and petroleum legislation, and even nationalizations that have occurred after oil and gas prospecting and discoveries.

"In Colombia's case, there is a special relationship between the public and private sectors in this industry, through the Partnership Agreements," he notes. He stresses that explorers and producers "have found a high degree of integrity, reasonableness and flexibility in their relations with ECOPETROL, the Colombian state oil enterprise."

In his view, these were the primary conditions among the many that led to Occidental's success in the Eastern Plains of Colombia. "They demonstrate ECOPETROL's commitment to stimulating foreign investment in the discovery of new oil reserves for the benefit of the nation."

The expert claims that more than the methodical and brilliant application of Occidental's superior ability and boldness, or its technological ingenuity and geological vision, in the case of Cano Limon (and possible future discoveries), "flexibility has been the common denominator in the various stages of this history: operational flexibility, financial flexibility, and above all contract flexibility."

"It was the flexibility shown in the execution of the contract," he adds, "that kept Occidental's exploration project alive during extremely difficult times in the Plains. Much of the credit for the discovery of Cano Limon goes to the Colombian Government and to ECOPETROL for their brilliant and flexible structuring and strengthening of the terms of the partnership agreements under which Occidental continues its exploration and operations. It is no exaggeration to say that the discovery of Cano Limon would not have happened under a rigid system, and that the terms of the partnership agreements were the key to this successful result."

#### Lack of Budget

In addition to the technical information on how work proceeded in the part of Arauca where the major oil deposit is located, Taylor reports that by the middle of 1981 OXY had already begun to look for a partner to begin this project, because the exploration budgets had shrunk throughout the industry, the market was flooded with partnership proposals, and a project like Cano Limon was practically impossible to sell.

"At that time, ECOPETROL's flexibility was crucial for keeping Occidental active. . . The company was allowed to reduce its minimum drilling commitment in exchange for additional returns and new seismic tests . . . ECOPETROL's flexibility was absolutely decisive in enabling the process to continue and to have a successful outcome," he writes.

When drilling was begun in well number 1 at Cano Limon, OXY's efforts to find partners had failed. Many companies claimed a lack of funds; others had doubts about the oil potential of the basin in the Plains; and others said they were not interested in investing in prospecting in South America, according to Taylor.

After so many refusals, since the magnitude of the discovery was confirmed, "we have received tons of partnership proposals," he says.

Occidental sold 50 percent of its share in Cano Limon to the Shell Group in June of this year for \$1 billion.

Promising Basin

According to the OXY expert, the Cano Limon discovery "has presented us with a resurgence of exploration in the Plains."

"What many used to scoff at as a 'marginal' basin is now seen as a new, major oil province."

The experience in the Plains, he says, taught OXY a lesson: "... that luck depends primarily on being tenacious enough to let problems work in our favor."

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COLOMBIA

BRIEFS

NEW GOVERNOR OF CAUCA--Popayan, 5 September--Cauca Governor Diego Castrillon Arboleda suddenly resigned yesterday, and retired Col Victor Gomez Gomez, who has held the post before, was named to replace him. The unstable situation in Cauca arising from public unrest, according to political sources, prompted the president to make this decision. The new governor has been mayor of Popayan twice, under the Daniel Solarte Hurtado and Josefina Angulo de Garrido administrations. He was private secretary of government under the administration of Amalia Grueso de Salazar Buchelli, director of the San Jose University Hospital, a founding member and first manager of the Future Clinic, a founding member and first director of the Tomas Cipriano de Mosquera Military Academy, and president of the Rotary Club of Popayan. [Excerpts] [Bogota EL TIEMPO in Spanish 6 Sep 85 pp 1-A, 11-C] 8926

HUMAN RIGHTS COMMISSION ESTABLISHED--The National Attorney General's Office last night established a human rights commission, which will serve as a liaison between the Justice Ministry and the citizenry. The Attorney General's Office also ordered a visit to the Society of Authors and Composers (SAYCO) to study its economic and administrative situation. The same thing was done recently with the Colombian National Airways (AVIANCA). The first of the commissions was created by the chief of the Justice Ministry, Carlos Jimenez Gomez, by means of Resolution 022 of 9 September 1985. Its assignment is to look into the following matters: The disappearance of individuals, allegedly illegal detentions, the treatment of the people apprehended by the authorities, relations between the members of indigenous communities and the authorities, deaths attributed to state security agents, and attempts against the lives and personal safety of government agents. The commission will consist of the deputy attorney general of the nation, who will be its chairman; the prosecutor assigned to the Judicial Police; the assistant attorney general in charge of the prosecutor assigned to the military; the assistant attorney general assigned to the National Police; two representatives of the Permanent Committee for the Defense of Human Rights; and two representatives of the Association of Relatives of the Disappeared. Attorney Jose Joaquin Fontalvo Ferreira was named executive secretary. [Excerpt] [Bogota EL TIEMPO in Spanish 10 Sep 85 p 9-A] 8926

MAJOR BANKS, BUSINESSES LOSING--The 6-month reports of some of the country's leading businesses reflect losses totaling billions of pesos, according to the quarterly bulletin issued by the Bogota Stock Exchange. Six of the 13 banks that have received official approval of their reports revealed cumulative losses totaling more than 5 billion pesos, while the earnings of the other seven are barely 2 billion pesos. The report also indicates that the businesses in the production sector that are in the process of renegotiating their foreign debts have seen their situation become even more complicated in the first 6 months of this year, and their cumulative losses have climbed considerably. In the production sector, the firm with the greatest losses between January and June is Colombian National Airways (AVIANCA), with 2.901 billion pesos. It is followed by Industrias e Inversiones Samper, with 1.275 billion pesos in losses; the Colombian Textile Company (COLTEJER), with 909 million pesos; and Paz del Rio, with 599 million pesos. In the financial sector, the most serious plight is suffered by the Banco de Colombia, whose losses totaled 3.416 billion pesos as of the close of the 6-month period. The Banco del Comercio reported losses of 822 million pesos; the Banco de Caldas 368 million, the Banco de Santander 193 million pesos, the Banco Mercantil 139 million pesos, and the Banco Colombo-American 89 million pesos. The figures contained in the Bogota Stock Exchange bulletin reflect the situation of 117 firms in the different production sectors. Of that total, 27 reported losses, while the remaining 90 showed profits. The size of the former group, however, offsets the latter, so that the overall total reveals a rather gloomy picture for the country's production sector as a whole. There were sectors, however, that revealed a clear recovery from the standpoints of profits for the first 6 months of the year. All in all, 57 of the 117 firms studied boosted their profits during the first half of the year. [Excerpt] [Bogota EL TIEMPO in Spanish 6 Sep 85 p 1-A] 8926

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GUYANA

BRIEFS

REID TREATMENT IN CUBA--Georgetown, Sep 14--Former Guyana Prime Minister Dr Ptolemy Reid has gone to Havana for eye treatment, a senior government spokesman said today. Reid, 67, is deputy leader of the ruling People's National Congress (PNC) party and special adviser to President Desmond Hoyte. The spokesman said Reid would be treated for an eye condition that recently developed. He did not elaborate. Reid was accompanied by Health Minister Dr Richard Van West Charles. Reid was treated in Cuba earlier this year for a mild stroke and had completely recovered, the spokesman said. He retired as prime minister a year ago for medical reasons. [Text] [Bridgetown CANA in English 2144 GMT 14 Sep 85 FL]

CSO: 3298/1031

MEXICO

## SIGNIFICANCE OF LOWER CHAMBER POLITICAL STRUGGLE EXPLAINED

Mexico City PROCESO in Spanish No 459, 19 Aug 85 pp 14-17

[Article by Elias Chavez]

[Text] With 2 years left until the unveiling of Miguel de la Madrid's successor, PRI groups headed by cabinet secretaries and high-level officials have begun to jockey for position, and their battles have been reflected in the struggle for the leadership of the Chamber of Deputies.

A triumphant Eliseo Mendoza Berrueto felt obliged to proclaim: "The Chamber of Deputies and its members do not represent the interests of politicians or officials; they represent the interests of the Mexican people."

After the Electoral College met on Thursday the 15th, the virtual leader of the PRI deputies issued his first order from his new chair: "Discipline yourselves."

He was addressing the deputies who vied with him for the leadership post and who are linked to political groups headed by Manuel Bartlett, Adolfo Lugo Verduzco, Miguel Gonzalez Avelar, Francisco Labastida, Carlos Salinas de Gortari and others with real or imagined hopes of becoming president of the republic.

The system of presidential succession has rested on PRI, the Senate and the Chamber of Deputies. This time, the struggle for the control of the lower house broke out before the now or presumed deputies-elect were unveiled, when high-level officials battled to push through one or more of their partisans as candidates.

Directly or indirectly involved in this struggle were: Carlos Salinas de Gortari, the secretary of programming; Ramon Aguirre, head of the DDF [Federal District Department]; Manuel Bartlett, secretary of the interior; Francisco Labastida, secretary of energy, mines and parastatal industry, and Adolfo Lugo Verduzco, leader of PRI, among others. We have the following evidence of their maneuvering:

Carlos Salinas de Gortari and Emilio Gamboa Patron, the president's personal secretary, attempted to push the candidacy of one of their closest colleagues,

Undersecretary Manuel Camacho, in a bid to install him as the leader of the lower house. But when they realized that his chances of becoming leader were remote, their withdrew his bid for the nomination. This did not stop Salinas from promoting some of his other followers, albeit not for the house leadership, among them Socrates Rizzo, Demetrio Ruiz Malerva, Luis Donaldo Colosio, Jorge Flores Solano, Juan Jose Castillo Mota and Marcela Gonzalez Salas, who last week began taking their seats in the Electoral College.

Another unsuccessful candidate was Gustavo Carvajal Moreno, a former PRI president. He sought the lower chamber leadership on the basis that when he served as agrarian reform secretary towards the close of Lopez-Portillo's administration, he "put his money" on Miguel de la Madrid in the presidential succession contest. He withdrew his candidacy when he was told that the Lopez-Portillo connection ruled out his becoming leader of the lower chamber.

Ramon Aguirre's group pushed the candidacy of Guillermo Cosio Vidaurri. There were those who did not doubt that his term as PRI president would serve as a springboard first to a federal deputy's seat and then to leadership of the PRI deputies bloc.

Meanwhile, Enrique Fernandez Martinez, a CNOP [National Confederation of Popular Organizations] leader with ties to Miguel Bartlett, succeeded in pushing through the candidacy of his organizational secretary, Guillermo Fonseca Alvarez, who from the outset had been regarded as the strongest candidate for lower house leader.

They ran him as a candidate from the Federal District, inasmuch as they were unable to have him represent San Luis Potosi, his native state. The man who stopped him was Governor Carlos Jonguitud. Jonguitud has told his closest friends that he owes many of his problems in San Luis to former Governor Antonio Rocha and his political protege, another former governor, Fonseca Alvarez. This is the story of their conflict:

When Fonseca was governor, then Senators Carlos Jonguitud and Fausto Zapata emerged as candidates to succeed him. They both began undermining the power of the outgoing governor, and a confrontation between the three broke out, every man for himself. Jonguitud eventually became governor, and his first moves were to eliminate the Fonseca faction. The only loser in this war was Zapata, because Fonseca became president of PRI in the DF [Federal District].

Fonseca became a good number two man. He served under Carvajal in the national PRI organization and then as undersecretary of agrarian reform, once again with Carvajal. From there he moved over to CNOP organizational secretary, another number two spot, this time under Secretary General Enrique Fernandez Martinez.

As a candidate for deputy, Fonseca received ongoing support from Fernandez Martinez, who in turn was under Manuel Bartlett's wing in the struggle for control of the lower house.

Another candidate then emerged: Salvador Robles Quintero, a lifelong friend of the present education secretary, Miguel Gonzalez Avelar. He registered as a

candidate from Sinaloa, though he claims to be, and is, in fact, a friend and neighbor of Miguel de la Madrid in Coyoacan. He is also a friend of Rodolfo Echeverria Ruiz, the current assistant administrative director of PEMEX, who backed him during the administration before last in his successful bid for the management of the Cinematographic Bank when Rodolfo Echeverria Alvarez, alias Rodolfo Landa, was director.

During the latter part of Miguel de la Madrid's election campaign, Robles Quintero replaced his friend Miguel Gonzalez Avelar as PRI press and publicity secretary when Gonzalez Avelar won the nomination for senator from Durango.

As leader of the Senate, Gonzalez Avelar had no problem placing his friend (and the president's friend) as an undersecretary of agrarian reform, with Luis Martinez Villicana as secretary.

In March of this year, when Jesus Reyes Heroles died, Gonzalez Avelar took over as secretary of education and thus automatically became a "cardinal" entitled to seek the "papacy." The now education secretary bequeathed control of the Senate to another of his friends, Antonio Riva Palacio, and intensified his support for Robles Quintero in his battle for the leadership of the lower house. They would thus control the entire Congress.

Also behind Robles Quintero's bid for house leadership were, in addition to Gonzalez Avelar, the shadows of Enrique Fernandez Martinez and Deputy Victor Gonzalez Avelar, the CNOP secretary of federations.

Although the leader of the CNOP supported mainly Fonseca, his secretary of federations, the brother of the education secretary, had him promote both Fonseca and Robles Quintero. If one doesn't make it, the other will. In any case, Enrique, you win...

Except for Manuel Sanchez Vite, no PRI president has left office and gone straight home. They have always gotten a cabinet post, become head of the DDF or secured some other important position. If the tradition holds, Adolfo Lugo Verduzco, whose removal is already being talked about, could become a "cardinal" automatically entitled to seek the presidency. For the time being, he backs his friend Eliseo Mendoza Berrueto in his bid for leadership of the deputies.

A former secretary of the Colegio de Mexico and linked since then to Victor Urquidi and Enrique Gonzalez Pedrero, from whom he inherited the chairmanship of the IEPES [Institute for Political, Economic and Social Studies] Advisory Council, Mendoza Berrueto has also been a good number two man: undersecretary of commerce with Carlos Torres Manzo, undersecretary of education with Fernando Solana, undersecretary of energy with Francisco Labastida (another alleged presidential hopeful) and a friend of Lugo Verduzco since 1969 when both were IEPES undersecretaries.

Mendoza Berrueto and Lugo Verduzco also have a common friend: Miguel de la Madrid, whom the now virtual leader of the PRI deputies, an economist by profession, met in 1964 in the Credit Office of the Finance Secretariat.

In addition to Fonseca Alvarez, Robles Quintero and Mendoza Berrueto, the names of two other hopefuls, Juan Jose Bremer and Manuel Gurria Ordonez, have been mentioned in the struggle for control of the lower house. The former, who is linked with Ignacio Ovalle and Porfirio Munoz Ledo, belongs to the generation of young officials whom then President Luis Echeverria gave preference to over the old-time politicians.

A former personal secretary of Luis Echeverria, Bremer was also undersecretary of the presidency under Hugo Cervantes del Rio; director of the INBA in the Lopez-Portillo era and undersecretary of public education under Jesus Reyes Heroles. Before that, in UNAM [National Autonomous University of Mexico], he was linked to Rector Ignacio Chavez and the dean of the Law Department, Cesar Sepulveda, the uncle of the current foreign relations secretary, Bernardo Sepulveda.

When Gurria Ordonez was a deputy for the first time, he replied to one of President Diaz Ordaz's addresses. Eight years ago he resigned as mayor of Villahermosa, Tabasco to take over as secretary general of the DDF government, alongside his boss and friend Carlos Hank Gonzalez (the people of Tabasco will be expecting him when he runs for state governor). As a PRI general delegate, he kicked off the election campaign of his friend Carlos Armando Biebrich for governor of Sonora. He is also a friend of Leopoldo Sanchez Celis and Francisco Galindo Ochoa.

Gurria Ordonez's and Bremer's hopes were dashed during the election campaign, but not Fonseca's, Robles Quintero's or Mendoza Berrueto's. Even after election day, 7 July, they intensified their battle for the leadership of the lower house, a battle in which some "low blows" were thrown, thus forcing the president of the republic to break with the traditional procedure of unveiling the "coordinator" of the PRI majority.

In the past, groups of would-be PRI deputies, duly instructed beforehand, of course, were in charge of choosing their leader. This time, the unveiling would be done by the secretary general of the CTM [Confederation of Mexican Workers], Fidel Velazquez. On 29 July, after receiving a visit from Mendoza Berrueto, the CTM leader proclaimed his confederation's support for the man whom he described as "ideally suited to be the political leader of the Chamber of Deputies."

The bandwagon did not start rolling immediately, though. The leader of the CNOP, Fernandez Martinez, did not give Mendoza Berrueto his group's support until that evening, as he left a meeting with President De la Madrid.

As for the CNC [National Peasant Confederation], in the absence of its leader, Mario Hernandez Posadas, who was traveling around Europe, the man who received the order to jump on the bandwagon was the organizational secretary, Senator Rafael Cervantes Acuna.

"The Chamber of Deputies represents the nation, and its members do not represent the interests of any politician or official," a smiling and triumphant Mendoza Berrueto said when he began receiving the support of his fellow party members the following day.

There was universal surprise at one man's absence in these expressions of support: Guillermo Fonseca Alvarez, who on 15 August had to discipline himself when sent off to do menial work: he was appointed chairman of the third section of the first commission of the Electoral College.

The first speaker at the installation of the Electoral College, Gerardo Unzueta Lorenzana (PSUM [Unified Socialist Party of Mexico]), also prompted the first debate. He demanded that representatives of at least six political parties sit on the Electoral College board.

Faced with the threat of certain PRI deputies supporting the PSUM demand, Mendoza Berrueto immediately sent Miguel Osorio Marban to the rostrum with his first order: discipline yourselves.

8743  
CSO: 3248/520

MEXICO

1986, 1987 GUBERNATORIAL ELECTORAL PROCESS DATES GIVEN

Mexico City EXCELSIOR in Spanish 19 Aug 85 pp 4-A, 29-A

[From "Political Fronts" Column, by Humberto Aranda]

[Text] The timetables for the election of 13 governors in 1986 and 1987 are now available. Some of the dates could change, though, owing to possible amendments of local constitutions.

The entire election process will take place in 1986 in the following states:

Chihuahua: candidate registration period, 1-15 March; inauguration, 3 October; Durango: registration period, 1-15 April; inauguration, 14 September; Zacatecas: registration, 25 March-5 April; inauguration, 15 September; Aguascalientes: registration, 15-30 April; inauguration, 30 November.

Michoacan: registration, 30 April-15 May; inauguration, 15 September; Oaxaca: registration, 16-31 May; inauguration, 30 November; Veracruz: registration, 20-30 June; inauguration, 30 November; Sinaloa: registration, 1-15 June; inauguration, 31 December.

The following are the states in which the "candidate unveilings" and election processes spill over from 1986 to 1987:

Baja California Sur: candidate registration period, 1-15 August; inauguration, 4 April 1987; Tamaulipas: registration period, 1-15 September; inauguration, 4 February 1987; Tlaxcala: registration, 17-25 September; inauguration, 14 February 1987; Puebla: registration, 5-25 September; inauguration, 31 January 1987 and Guerrero: where registration is from 16 to 30 October and the inauguration will take place on 31 March 1987.

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MEXICO

SCHOLAR SETS MONTHLY INFLUX TO METROPOLITAN AREA NEAR 40,000

Mexico City EL DIA (METROPOLI Supplement) in Spanish 27 Jul 85 p 9

[Text] Some 40,000 persons leave their land in the interior every month to head for Mexico City and the metropolitan-area municipalities adjacent to the Federal District, seeking better opportunities, especially now that the crisis has hit rural people.

This is the conclusion of Salvador Sanchez Zavala, anthropologist and university professor, who notes that federal, state and municipal authorities are powerless to stem the exodus of the 40,000 persons of all ages who crowd into the Federal District and the municipalities of Naucalpan, Tlalnepantla, Nezahualcoyotl, Los Reyes la Paz, Chalco, Atizapan, Tultitlan, Cuautitlan-Izcalli and others every month of the year.

In some cases, including the state of Mexico, the scattered, little towns of the northern area of the Valley of Mexico, the south and other regions such as El Oro, Jilotepec and Polotitlan, give an image of being abandoned. Others already look like ghost towns.

In the homes and the streets, one sees only women, children and old people. The best men have left for the industrial areas of Naucalpan, Tlalnepantla, Cuautitlan-Izcalli, and so on.

Here, only a few minutes from the Zocalo in Mexico City, there are peasants without land, much of the latter eroded away, numbering as many as 150,000. Furthermore, 80 percent of the peasant families in the Valley of Mexico receive less than the minimum wage.

In other parts of the interior and in many of the metropolitan-area municipalities, there are no jobs and not enough land. In short, there is poverty, great poverty, the university professor concludes.

11,464  
CSO: 3248/506

MEXICO

#### DISPLACED FROM CAPITAL FLOW INTO NEARBY MUNICIPALITIES

Mexico City EXCELSIOR in Spanish 3 Aug 85 STATES section p 4

[Text] Chimalhuacan, Mex., 2 Aug--Like Nezahualcoyotl, Ecatepec, Chalco, Ixtapaluca, Coacalco and a long list of municipalities, Chimalhuacan "has been invaded by people pushed out of the Federal District." Openly or surreptitiously, as if playing hide-and-go-seek, the new settlers arrive here day and night "to put down roots and not look back."

What was once the Texcoco lakebed is now sown with thousands of little huts forming communities such as La Loba, El Arenal, La Rosita, Miguel de la Madrid, San Hipolito, Arenal II, Tepalcates and many others, as in other regions of the state whose inhabitants came seeking something to call their own.

They are all potential petitioners for services "because we pay taxes to the municipality, buy here from small landowners and are not invaders."

The fact is, as one can plainly see, there is a lack of water, drainage, security, electricity, schools, markets, "everything." Only the persistence of the settlers in clinging to the salt-petrous land as the only chance for something for their families explains the survival of these thousands of persons and above all, their living conditions.

Mayor Jose Corona explains that "the demand far exceeds the supply of services." The huge human settlement goes beyond any capacity to meet its needs. Priorities established for areas of traditional demand are materially wiped out by the needs of the new settlers in the municipality.

#### Budget

"Just as we are beginning a kind of census of the new urban communities [colonias nuevas], a new settlement springs up, destroying all our plans. The budget, which was calculated for a specific population and needs is useless. We do not have the resources to handle everyone."

The mayor continues: "The decisive factor causing this entire area to experience totally disproportionate growth is the fact that the Federal District, with all its attractions for those emigrating from their native regions is now driving out those trying to settle in the city."

Those seeking land deem it logical to try to be near the great capital and therefore choose municipalities somewhere near the Federal District. With Nezahualcoyotl, Naucalpan, Tlalnepantla and others already saturated, the choice is Chimalhuacan, which, as difficult as it is to live there, with the inadequate urban infrastructure, is the logical option for those leaving their homes.

The social pressures placed on these new settlers "is truly brutal." They experience the pressure, make their demands for services and receive a reply from authorities that seems illogical: "Wait awhile." In the meantime, the growth continues unchecked.

11,464  
CSO: 3248/506

MEXICO

BRIEFS

SOUTHERN BORDER ANTIGUERRILLA PRECAUTION--Campeche, Camp., 2 Aug--In order to prevent the presence of guerrilla groups in refugee camps, the Interior Secretariat, in coordination with the Mexican Commission on Refugee Assistance, has set up a constant security system, according to an announcement made by Senator Armando Herrera Gonzalez, who added that the flow of undocumented Central Americans continues over the southern border of the country. The senator, a member of the Senate Immigration Affairs Committee, said that over 30,000 Guatemalan refugees oppose relocation to places outside of Chiapas. He denied that force had been used to make the Guatemalans move and emphasized that when there is resistance on the part of Guatemalan citizens remaining in Chiapas, the Mexican Government resorts to dialogue. He added that groups of Guatemalans living in Chiapas have even traveled here and to Quintana Roo to see how their fellow countrymen live, an attempt to encourage those reluctant to move to do so. Settlements of Guatemalan refugees have also been started in Tabasco, where they are handled based on international treaties regulating the right to asylum. [Text] [Mexico City EXCELSIOR in Spanish 3 Aug 85 STATES section pp 1, 6] 11,464

REGULARIZATION OF GUATEMALANS' STATUS--Campeche, Camp., 4 Aug--Guatemalan refugees living in the camps of Quetzal, Edzna and Canasayab have so far been given 10,300 immigration forms and it is hoped that by the end of this month, the refugees will legalize their stay in the country, according to Fernando Vera, acting delegate of Immigration Services, who explained that the issuance of the forms began in February, which will make it possible to regularize the legal status of the undocumented Guatemalans. Immigration Services personnel are working up to 12 hours a day to issue the largest possible number of forms to persons now in the camps. He said that such forms have been given to all residents of Quetzal and Edzna camps, lacking only those Guatemalans living in Canasayab. The chairman of the Council of the National Secretariat for the Reintegration of Human Values, Luis Arrieta Romero, said in Torreon: "We view with indifference the way in which Central American refugees are treated as criminals." At the close of the Seventh National Assembly of Pastoral Penitentiary, he said: "It hurts us to see how our fellow countrymen are treated in the United States and yet, we are doing the same thing with undocumented Guatemalans." [Text] [Mexico City EXCELSIOR in Spanish 5 Aug 85 p 29-A] 11,464

U.S.-BOUND CUBANS DEPORTED--A group of 32 Cubans with fake passports from the Dominican Republic and coming from Panama in order to enter the United States through our country were deported yesterday to the Canal city by the Immigration Services of the Interior Secretariat. The Cubans, like other groups that have previously tried to accomplish the same thing: using Mexico as a way into the United States, arrived Saturday from Panama, on Aeromexico Flight 421. Once Immigration authorities verified that their documents were false, inasmuch as they were Cubans with Dominican passports, they were left under custody in Room 13 of the Mexico City International Airport and were deported yesterday on Aeromexico Flight 420 to Panama, their place of origin. Immigration agents said that "we received very precise instructions from the new Immigration Services representative, Luis Enrique Mercado Rodriguez, to determine their precise legal status and when it was shown that they were trying to enter Mexico illegally in order to make it to the United States, it was decided to return them to the Canal." The Cubans did not protest and said that "we have money in dollars and we wanted to try to stop off in Mexico City in order to go to the United States, where we have many relatives and friends, who have been waiting for us for weeks." [Text] [Mexico City EXCELSIOR in Spanish 6 Aug 85 p 1-C] 11,464

TABASCO GOVERNOR DISMISSES 'SPECULATIONS'--Villahermosa, Tabasco, 21 Aug-- Governor Enrique Gonzalez Pedrero told EXCELSIOR today that the accounts of his possible transfer to the Federal Government or to the presidency of PRI are sheer speculation, because he regards the state governorship as the greatest honor of his life and devotes all of his time and efforts to it. [Excerpt] [Mexico City EXCELSIOR in Spanish 22 Aug 85 pp 4-A, 23-A] 8743

CSO: 3248/520

NICARAGUA

119 FINISH FOUR-MONTH TEACHER-TRAINING COURSE IN CUBA

Havana GRANMA in Spanish 1 Jul 85 p 3

[Article by Jorge Moises]

[Text] Sancti Spiritus, M.N.--Proletarian internationalism was evident in the graduation of 119 Nicaraguan youths who underwent intensive training for the teaching profession at the Rafael Maria de Mendive School of Education, where the graduation ceremony took place.

The youths are members of the Georgino Andrade contingent; Andrade was a martyr in the National Literacy Crusade in the sister republic. With their effort, dedication and sacrifice they have been able to achieve in a short time (4 months) the minimum necessary preparation to permit them to be teachers and educators in the land of Sandino.

Juan Francisco Quesada, director of the school, reported on the work done during the course, in which discipline and scholastic achievement were outstanding, with the students demonstrating their awareness of the task entrusted to them by the state and the government and completing the course in a responsible manner and with a high sense of duty.

A total of eight subjects was taught.

The three best students were Xiomara Gomez, Lilian Coca and Esmelda Gomez, who received their diplomas from Faustino Perez, a member of the Party Central Committee.

Perez, who is also chief of the Office of Local Divisions of the People's Government, made a speech in which he said that this apprenticeship, for the Nicaraguans and for ourselves, confirms the deepest contribution between the two nations, and he congratulated all of them, emphasizing that it was a privilege for the residents of Sancti Spiritus to have the Nicaraguans among them.

On behalf of the province the School of Education received the Literacy Medal from Rodolfo Lugo Sandino, second secretary of the Nicaraguan Embassy in Cuba, an honor which was also shared by 16 students and the two teachers from the neighbor country, Mercedes Ubau and Ismael Herrera, as well as the institution's UJC [Union of Young Communists] committee. Lugo Sandino also gave a speech.

Hipolito Rodriguez Migoyo, member of the Executive Bureau of the Party Provincial Committee and president of the Provincial People's Government, concluded the graduation ceremonies. He pointed out that, amid the din of battle, the Nicaraguan Government is concerned with guaranteeing education to the people and to achieve this goal is training contingents with the disinterested assistance of the Cuban people, and he expressed recognition for the government, the party and the people of the province.

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CSO: 3248/496

PERU

HUAMAN MAY BE REINSTATED AS EMERGENCY ZONE CHIEF

Lima EL NACIONAL in Spanish 5 Sep 85 p 3

[Interview with Gen Adrian Huaman Centeno, former chief of the Military Political Command of the emergency zone; by Oscar Vargas Romero, in his office in Mexico City on 4 September]

[Text] "My conscience is clear," said Peruvian Army General Adrian Huaman Centeno yesterday when EL NACIONAL informed him that the Mixed Division of the Ayacucho Superior Court had issued a warrant for his arrest in response to charges filed by the relatives of those who have disappeared in that troubled region. Gen Huaman Centeno formerly served as chief of the Military Political Command of the emergency zone.

In a friendly conversation during which he was reminded of the tense moments that led former President Fernando Belaunde Terry to order his removal, Gen Huaman Centeno agreed to give an interview by phone from his office. He is now the military attache at the Peruvian Embassy in Mexico.

"I apologize for the delay in granting you this interview. As you know, there is a military regulation standing between us," explained Huaman Centeno, recalling the many times that we had persisted in trying to obtain his views on President Alan Garcia Perez' position. In an effort to rectify the situation, President Garcia had announced that the general would be reassigned to his previous post.

In fact, not only did we request the interview through his assistant, but we sent the editor in chief of the Mexican daily NOVEDADES to make the request on our behalf. He received a courteous refusal from Gen Huaman Centeno, who cited strict military regulations.

At the beginning of the dialogue, Gen Huaman Centeno was informed in detail of the decision by the Mixed Division of the Ayacucho Superior Court and the appeal filed with the Supreme Court by the prosecutor of the military zone, Army General Juan Barandiaran Pagador. In his appeal, Gen Barandiaran noted that in any event, the matter should be dealt with in the military courts.

## Huaman Centeno Speaks

At noon yesterday, Secretary Eduardo Chavarry of the Mexican Embassy served as a liaison for the dialogue with Gen Huaman Centeno.

[Question] Good morning, General. Have you heard about the president's announcement that as an act of restitution, you will be reassigned to your original post as chief of the Military Political Command of the emergency zone?

[Answer] Yes, I have read about it in the papers. I also found out about it through Mexican reporters, who have been trying to talk to me. I am grateful to the president of the republic, and I have already thanked him personally. I did so in Lima, when the problem arose.

[Question] Do you believe, General, that there should be an emergency zone?

[Answer] Look, before continuing with this phone conversation, I must comment on a fundamental issue. Before, I was able to give statements to the press, to express opinions in any case. Today I am operating under military regulations.

[Question] Do you agree with everything that was done and said, leading up to your transfer out of the country?

[Answer] A Peruvian soldier takes an oath. I cannot change what I thought was correct at one time; I was acting in accordance with the prevailing situation and with what made sense at the time.

[Question] If they offered to send you back as chief of the Military Political Command of the emergency zone, would you return?

[Answer] That depends on my command.

[Question] Are you resentful at all, General?

[Answer] No, I think I obeyed not only my personal inclinations, but the overwhelming dictates of my country.

"My Conscience Is Clear"

[Question] Can you give me your opinion of how terrorism is now being dealt with in Peru?

[Answer] I repeat once again, my journalist friend, that I am subject to military regulations.

[Question] But here, General, you are implicated in the repressive violence. The Mixed Division of the Ayacucho Superior Court has summoned you to appear, and if you do not appear, it will order your arrest.

[Answer] As I understand it, that situation is being reviewed by the prosecutor of the military zone, Gen Barandiaran Pagador. As a soldier, as a Peruvian, I will obey the decisions of my command.

[Question] Aren't you afraid of justice?

[Answer] Why should I be afraid?

[Question] The presiding judge of the Mixed Division of the Ayacucho Superior Court, Dr Garcia Rodos, has upheld the charges filed by the families of the "disappeared," especially with regard to the bodies found in the grave at Pacayacu.

[Answer] The citizens have every right to invoke the law and go to court. I respect the law.

[Question] Do you feel any remorse?

[Answer] Look, my conscience is clear. I have no remorse because I have committed no crime. Whatever I did was for the good of my country, of my people, of the people who have been suffering for so long.

[Question] Do you have anything more to say, General?

[Answer] I thank you for your telephone call. The only thing I can say is that I am at peace with myself, because my conscience is clear. And I am willing to submit to whatever investigation my command orders.

8926

CSO: 3348/958

PERU

## SUPREME COURT HEAD RESPONDS TO APRA DEPUTIES' ACCUSATIONS

Lima EL NACIONAL in Spanish 9 Sep 85 p 5

[Text] "My opinion is that the morality campaign is being carried out with dignity, and pursuant to the Constitution and the law," said Barros Conti at a press conference he called unexpectedly yesterday at his home in Miraflores. The chief justice of the Supreme Court also responded emphatically to Deputies Moises Tambini del Valle and Manuel Angel del Pomar, to whom he addressed an extensive open letter.

The night before, Tambini del Valle had made statements to the press indicating that Barros Conti and the other 17 members of the Supreme Court should be impeached under the Constitution for the alleged crimes of breach of official duty, abuse of authority and violation of the Constitution.

Barros Conti stated that he was deeply offended by such assertions.

"It is easy, though audacious and presumptuous at the very least, to try to sling mud at a person who is by nature above reproach. When someone makes such an attempt and fails, the first and only thing he succeeds in doing is to get his hands dirty--to put it mildly--so dirty that it is impossible to shake hands with him without dirtying oneself," claimed the supreme court justice.

### Autonomous Branch

He expressed complete agreement with President Alan Garcia in the morality campaign that is going on throughout the country at all levels.

He indicated, however, that it should be recalled that the Judiciary is an independent and autonomous branch of government, which is organized according to the current Constitution.

"Furthermore, to do anything else," he added, "would be to besmirch the illustrious memory of that venerable old man who presided over the Constituent Assembly, none other than Victor Raul Haya de la Torre."

He went on to say that his position has nothing to do with an interference in the branches of government, and that he will not take the matter to the Court

of Constitutional Guarantees, because Peru's Constitution "has been enforced satisfactorily to the present," he stated.

He indicated that the justices of the Supreme Court have the same rank as ministers of state, whose terms of office are guaranteed by the Constitution until they attain 70 years of age.

If the justices of the Supreme Court are accused of crimes, the matter is referred to the Attorney General's Office so that pretrial proceedings can be initiated, said that chief justice.

2,000 Files

Barros Conti noted in this regard that so far the Supreme Court has met in open court to hear some 1,000 complaints and accusations against members of the Judiciary, and another 1,000 are pending hearings.

"For this purpose, we have decided to declare a special permanent open court session as of tomorrow, Monday," he added. The open court will meet from 0900 to 1100 hours Monday through Friday, except for Thursday, he reported.

In his accusations to the press, Tambini del Valle said that the court over which Barros Conti presides did not fulfill its constitutional duty of monitoring and supervising the conduct of the innumerable corrupt judges. He added that the results of the ongoing monitoring should be released annually, and that for the past 5 years this obligation has not been fulfilled.

Tambini del Valle also stated, in the specific case of Dr Barros Conti, that "he has committed the crime of violating the Constitution and the concept of res judicata by reviving cases that have already been prosecuted and closed."

More "Affection"

In his statement of defense during yesterday's press conference, Barros Conti wondered, "If an error was made during a trial, or if an essential element was left out, should that error prevail over truth, reason, justice, and the law?"

With regard to Tambini del Valle's innuendo, he termed it "frivolous," adding: "I state for the record that in innumerable cases the Supreme Court has thrown out the trial and even the erroneously issued judgment if some basic procedural step has been left out, such as passing judgment without allowing an attorney to address the court when that attorney has duly requested permission and has not been legally summoned to court."

With a certain tone of irony in his manner, Barros Conti recalled that some time ago Dr Tambini del Valle himself gave Barros Conti a copy of the book he (Tambini) had written on the 1979 Constitution, and dedicated it to him "with affection."

"Now he is being even more affectionate with me," he quipped.

With regard to the suggestion that sanctions should be imposed for illegal and immoral payments collected by members of the Judiciary, he said that a bill to reform judicial fees is ready for action, and should be enacted soon.

"When the new fees are in effect, we will make sure they are collected properly," he contended.

#### Clarity

The open letter addressed to Deputies Del Pomar and Tambini repeats several of the arguments Barros Conti made to the journalists gathered at his residence. The note recalls how Barros Conti began his judicial career, and indicates that the only stain on his record is the penalty imposed by the National Justice Council (which also named him to the Supreme Court) in 1973. At the end of the letter, he states: "Doctors: In my capacity as chief justice of the Supreme Court, with a clean judicial record, I must tell you that clarity is of the utmost importance so that the light of day can illuminate the conscience and intellect of all those Peruvians who want a better country, and fortunately, it is getting better and better now. We live under the rule of law, with a Constitution to respect, even though we are undergoing a reorganization process that should never be regarded as a drastic change in personnel or institutions, but rather as an alteration in the way things are governed, with all due respect for the law and especially the Constitution."

#### Fair Campaign

"A fair and clear morality campaign is being carried out in the public administration in general," the letter goes on. "The Supreme Court, which is the guardian of the republic, is also participating in this campaign, despite its heavy workload. It never fails to observe the Constitution and its specific provisions, however."

It adds that "if the morality campaign were not carried out, at whatever level, with the strict observance of constitutional provisions that has characterized it so far, and if we were to be so misguided as to make a mockery of the process by spreading unfounded innuendos, then this clean and fair morality campaign that has been launched by the government would be called into question or doubt, which would be discouraging and publicly disconcerting."

8926

CSO: 3348/958

PERU

## LABOR MINISTER ON GARCIA ADMINISTRATION POLICIES

Lima EL NACIONAL in Spanish 9 Sep 85 pp 8, 25

[Interview with Labor Minister Carlos Blancas by Oscar Chirinos Davila on 8 September 1985; time and place not given]

[Text] [Question] Do you share President Garcia's view that unionized labor should be included among the privileged sectors of this country?

[Answer] I think that in the example cited by the president in the social pyramid, it should be stipulated—and this is the point he was trying to make—that organized labor is, in the first place, a minority among those who are adequately employed: about 30 percent, including public employees, between 700,000 and 800,000. There are probably no more than 400,000 unionized workers in the private sector, including both blue- and white-collar workers.

Clearly, two-thirds of the adequately employed population is not unionized. If we apply this to the total workforce (PEA), then we see that the proportion of organized labor is really very small, only about 10 percent. Consequently, we are talking about a minority.

What was he trying to say? Undoubtedly, he was not trying to say that this minority is exploitative, pro-imperialist or oligarchic. No. What he was trying to say is that compared to the vast portion of the population that is employed but not unionized, and the equally large portion that is under- or unemployed, organized labor often obtains a number of benefits that other Peruvians cannot have because of its greater capacity to make demands and organize.

[Question] Perhaps that is the origin of the idea of imposing wage ceilings on the unions.

[Answer] No wage ceiling has been imposed, and there are no plans for such ceilings. We have stated from the beginning that collective bargaining, which is a constitutional right, will be respected. The mechanisms set forth in the Constitution and in legislation will not be affected in any way. Modifications or adjustments may be made, but not for those reasons, simply because many sectors are criticizing what we have now.

[Question] If that is the government's position, what then, Mr Minister?

[Answer] What we in the administration want is to appeal to the labor unions to show true solidarity with the non-unionized sectors and the unemployed. I think that not only should the unionized workers unite among themselves, through solidarity strikes, but they should also think about how much solidarity they have with those who have no unions or no jobs.

[Question] With regard to non-unionized workers, does your ministry foresee any wage increases for the rest of the year?

[Answer] Well, the government gave an initial raise of about 18 percent to the non-unionized sector, through a special cost of living bonus. The emergency program calls for an assessment at a given moment, and possible readjustments. The government has not established a deadline for that assessment.

[Question] On another subject, what will happen to the industrial partnership? Will it return to what it was during the Velasco regime? Will it remain in its present modified state?

[Answer] The definition of policy in this area must be multisectorial; there are four economic areas that have labor partnerships. There is no doubt that this issue must be studied and defined in some way. The industrial partnership has undoubtedly been suffering since the government of Gen Morales Bermudez and the Belaunde administration, with the new industry law that we have now and the significant cuts in the degree of economic and administrative participation.

[Question] As the top representative of the Christian Democrats (DC), what would you recommend to the government regarding the industrial partnership?

[Answer] We have always had a favorable position on this mechanism; we were even the first party to talk about reforming business back in 1956. We have been very closely involved with the idea of allowing workers to participate in businesses' economic and management decisions.

In that regard, we feel that this issue should in no way be ignored. We understand that the present situation of the country's businesses is difficult, but this does not necessarily imply the exclusion of this issue. I think that the labor partnership is not the only model of participation; the concept of business reform that DC has been proposing is broader than that of the labor partnership. In other words, this institution can be a way of providing participation in the business, but other mechanisms could be created as well.

[Question] Mr Minister, what kind of participation did DC have in the Velasco government, and what does it now have with the Alan Garcia administration?

[Answer] I would like to begin with the second half of your question. My party, through me, is participating in President Alan Garcia's cabinet. In other words, it shares in decision-making. We are responsible for a ministry, so I think now that we are indeed participating in the government in a way that enables us to share responsibilities.

In the government of Gen Velasco, the Christian Democrats--we have never denied this, and I do not think we should--supported a series of social reforms that we had advocated ever since we were founded.

Despite what many think, DC did not suddenly decide it supported the military regime; that government was sympathetic to the ideas of Christian Democracy, and to the ideas that had been incubating since the 1930s and even earlier. Moreover, unlike what many in the military believed, the Peruvian revolution was not very original. This does not detract from the profound changes that were made then, changes which modified not only the structure of the economy, but also the social structure and even the country's consciousness.

Now, with our participation in the APRA government, we are trying to lay the groundwork for the continued modification of structures so that we can achieve a society that will develop for the Aprista Party of Peru (PAP) a major cooperative or self-management or partnership sector for us.

This is a long-term project, however. No one can think that we can build a new society in 5 years.

[Question] Dr Blancas, how big is the current PEA? Do you have figures?

[Answer] Approximately 32 percent of the total PEA is employed. There are various statistics, various sources, but in general terms, out of a PEA that totals a little over 6 million people, approximately one-third is adequately employed. We are talking about some 2 million Peruvians who are employed.

[Question] And the rest, Mr Minister, how are they distributed?

[Answer] Of the remaining 68 percent, it is estimated that 55 to 58 percent are underemployed. In other words, they do not have steady jobs but they are engaged in some kind of activity and manage to get by somehow. These days this is called the informal economy. Then there are approximately 10 to 12 percent who are clearly unemployed, that is, between 600,000 and 700,000 people.

[Question] Could you explain what the government is going to do to bring down the unemployment rate?

[Answer] Well, President Alan Garcia announced from the palace balcony last Thursday that he will take two very important actions. One is what has been called the Large-Scale Public Jobs Programs (PPEM), which is aimed at guaranteeing a minimum income to a rather broad sector of the population so that they can meet their basic needs, on a temporary basis. This is not a question of creating productive employment, but of opening up jobs to provide income to a constant number of people.

These programs will involve cleaning public streets, maintaining highways, collecting garbage, and undertaking basic agricultural labor.

[Question] As Gen Tantalean did at one time with the fishermen?

[Answer] No, I am not familiar with that experience. Or at least I do not remember it.

[Question] And the other action?

[Answer] The other is much more far-reaching, affecting each of us directly. This is what is called the Employment Promotion Law. What we want to do is stimulate private activity, productive activity. We are referring primarily to industry, but we could also include commerce and services, in order to ensure the hiring of more personnel.

[Question] Can you go into more detail about the content of the future law?

[Answer] What we envision as the Employment Promotion Law is a series of legal provisions that will provide certain benefits to businesses that expand their payrolls. These benefits would be linked to credit, to taxes, to administrative standards and also to the applicable labor and social security norms.

[Question] Mr Minister, how can this desire to expand employment be reconciled with the job security law that is being considered by the Chamber of Deputies?

[Answer] I think that the two are not necessarily related. Often it is alleged that businessmen will not want to hire more workers if their jobs must be guaranteed, but that is not an economic argument. It is basically a question of manpower having a given impact on the cost of production; that impact can be greater or lesser, depending on the kind of business involved. Consequently, the matter of job security is a little irrelevant to the cost of production. It may be a psychological factor, and it may be linked to other considerations, but not to economic factors.

What we do not want, of course, is for businesses to raise their costs by absorbing more manpower, and then translating that somehow into a new inflationary spiral. It is a question of offsetting the absorption of more manpower with a series of measures that enable businesses to keep their costs from getting too high.

That is why we will propose credit-related benefits that will bring down the businesses' tax burden, so that they can free up their resources to absorb a greater proportion of the PEA. In short, part of this effort will be absorbed by the government as well.

[Question] Have you talked about this matter with businessmen?

[Answer] Yes, on Friday. They are willing. They have some ideas, which they will present in a forum called for next Wednesday. There they will discuss the employment issue, and apparently will propose some measures that they think will promote employment. Independently, the government has put together technical teams that represent various administrative sectors, and they are formulating the proposals that will be contained in the employment promotion law.

[Question] Continuing with the idea of the job security law, Dr Blancas, why is it taking so long for Parliament to pass such a top-priority law, considering that the American Revolutionary Popular Alliance (APRA) has a large majority in both legislative houses?

[Answer] I share your concern. I had hoped and believed that the package the president submitted on 28 July would be passed quickly. That was why the plan did not include any retroactive clause to cover workers who have since been laid off from some firms. We thought that the rapid passage and immediate promulgation of the law would minimize that possibility. Unfortunately, no progress has been made.

[Question] And the lay-offs have happened!

[Answer] And the lay-offs are continuing. As I told some friends of mine in Parliament, the best way to respond to this wave of lay-offs, which has happened in one way or another, is to pass this law. If the law is still bogged down, the lay-offs will continue.

[Question] Nevertheless, Mr Minister, it is possible to make the law retroactive, since it is labor legislation . . .

[Answer] Of course. At this time a provisional retroactive clause should be introduced. I think there is no other alternative at this point. As I said, this did not occur to anyone at first, because if the law was going to be passed quickly, these lay-offs were not going to happen. As you well know, the lay-offs have to follow a process, a legal procedure; but now we are in a position of being practically forced to introduce a provisional clause to make the law retroactive to 28 July.

[Question] Do you have information on the percentage of workers who have been laid off since the announcement of a job security law?

[Answer] No, no, that information is very difficult to obtain, for the simple reason that there is no ongoing labor survey, just what we can learn from complaints to the Ministry, individual cases. But since the workers in question have less than 3 years' seniority, they cannot file complaints; workers who have been on the job for less than 3 years have no security. Therefore, if they are laid off they cannot file charges.

[Question] How, then, would the retroactive clause work?

[Answer] We would seek means to annul all the pink slips that have been issued.

[Question] As for businesses buying off workers by paying them to quit in order to skirt the job security provisions, what can be done, Dr Blancas?

[Answer] That is a difficult thing to control, no matter what system is used. When a worker is paid to quit, it is still a legitimate quit from the legal standpoint. We cannot object at all to a quit that is supposedly a voluntary

act by the worker, although he may have been encouraged by an economic incentive.

[Question] Would you favor including in the Employment Promotion Law a clause that would waive the job security provisions for businesses in the export sector?

[Answer] That provision already exists. Businesses that fall within the program to promote non-traditional exports are now authorized, for the purpose of meeting export contracts or filling orders received from abroad, to hire however many workers they need under the "fixed-term contract system" set forth in Decree-Law 18138. There is no plan to modify that regulation; it will remain.

[Question] What steps will be taken to alleviate unemployment in the civil construction sector that has resulted from the rent freeze and the considerable decline in construction projects in the country?

[Answer] The loss of jobs that may occur in one sector would be offset by the opening up of new jobs in other areas of the economy. Perhaps the rent freeze will limit possibilities in the construction sector, but we believe that the anti-inflation program will prevent inflation from devouring workers' buying power.

8926  
CSO: 3348/958

PERU

PEASANT ON FOREIGN DEBT DIALOGUE

PA192025 Havana International Service in Quechua 2200 GMT 13 Sep 85

[Interview with (Felicita Yanqui Apaza), Peruvian delegate to the Latin American and Caribbean Youth and Student Dialogue on the Foreign Debt, by an unidentified reporter; date and place not given--recorded]

[Text] [Yanqui] I am very grateful for this interview and glad to be here at this great event. I want to thank Fidel Castro in particular for inviting my humble person to participate in this meeting. I also want to thank all the Cuban youths. My name is (Felicita Yanqui) and I represent the glorious Peasant Confederation of Peru.

[Unidentified reporter] Felicita, what is your opinion of the Latin American and Caribbean Youth and Student Dialogue?

[Yanqui] It is a great honor for me to be in this country and to see the progress achieved and the development of this nation. I have found a much more developed Cuba; I have not seen hunger, misery, internal struggles, and best of all, I see no millionaires. Therefore, there is social equality. We have exchanged views with many Cuban youths. We have seen the help given the youths to afford higher education. As for the conference, I believe that it will be very beneficial.

[Reporter] Please tell us about Peru's peasant youths.

[Yanqui] I feel qualified to speak about the peasant youth of my country because I live in the countryside. I can tell you about the suffering of the youth. We have many problems. For example, I must walk 8 km a day to go to school and that applies to primary and secondary schools, we are malnourished and many of our schools do not have the necessary furniture. We the students believe that we play a very important role in the country's future. However, what kind of future can we hope for under these circumstances? We feel abandoned; we think of ourselves as orphans.

[Reporter] What is your opinion of Peru's foreign debt?

[Yanqui] First, even though it sounds funny, we the peasants do not know what the foreign debt is because we have never received any money from it;

we do not know who the recipients of the foreign debt are or who are the beneficiaries of those enormous sums of money. We really do not know that. We only know that the cost of living has increased in the past few years. The innocent must often pay for the guilty. We cannot satisfy our most basic needs with the sale of our products. We cannot even buy textbooks. Loans from the damned foreign debt have never benefited us. We think that multinational companies are the beneficiaries. We lack housing, potable water, and electric power. I could talk about our problems for hours.

In conclusion, we have never received money from those loans to the extent that we do not even have a library. Therefore, we, the peasants, have decided that the country should not pay the foreign debt.

CSO: 3348/01

TRINIDAD AND TOBAGO

LEADERS ADDRESS NAR INAUGURAL CONFERENCE, ELECTIONS CITED

Report on Grenada Meeting

Port-of-Spain TRINIDAD GUARDIAN in English 3 Sep 85 p 3

[Article by Mikey Mahabir]

[Text]

DEPUTY Leader of the National Alliance, Mr. Basdeo Panday said yesterday he was extremely happy that "at long last all our problems have been solved."

Back from his trip to Grenada where he and Alliance Leader A.N.R. Robinson, Chairman of the Tobago House of Assembly, met with Mr. Karl Hudson-Phillips, leader of the Organisation for National Reconstruction (ONR) to discuss the question of allocation of seats in preparation for the upcoming general election, Mr. Panday said:

"The way ahead is bright and sunny. There is absolutely no reason why we shall not be able to unite our people in this country for significant and meaningful change in their lives."

During the meeting agreement was reached on the distribution of seats.

Mr. Panday, Opposition Leader in the House of Representatives, felt that the leadership issue is now a happy and exciting one. "There is no problem ahead of us." He said the step they took is "a giant one forward and there is no turning back from now on."

HISTORIC EVENT

He said that all roads now lead to the Grand Stand in Port-of-Spain on Sunday where the National Alliance for Reconstruction (NAR) will hold its first Congress. He appealed to all friends and supporters to come out in full numbers for "this historic event."

Mr. Robinson has been nominated unopposed for the leadership of the NAR while Mr. Panday and Mr. Hudson-Phillips are tipped as the two deputy leaders, with Mr. Herbert Atwell, the ONR's nominee for post of Chairman.

Meanwhile political observers in the South have seen the getting

SAN FERNANDO:

together of the opposition parties as a definite threat to unseat the ruling People's National Movement.

One politician puts it this way: "It is the first time in this country that the opposition parties have really come together in one united force. This spells trouble for the PNM."

Meanwhile the National Alliance discussed and ratified two major documents that could well become part of the election package of the National Alliance for Reconstruction (NAR) in the coming elections.

Alliance Chairman Dr. Beau Tewarie said yesterday that the documents were discussed and approved by the National Council and the Committee of Representatives of the Alliance at an assembly in Couva on Sunday.

The Draft Constitution of the NAR and the Draft Policy Document known as "Platform for Democracy" were discussed in detail in the all-day meeting, with several amendments being made to the Constitution.

Dr. Tewarie said that the assembly agreed to regard the "Platform for Democracy" as a "working paper" which could later yield a statement of general principles and a full fledged election manifesto.

## Results of Elections

Port-of-Spain TRINIDAD GUARDIAN in English 9 Sep 85 p 1

[Text]

MR. A.N.R. ROBINSON, Chairman of the Tobago House of Assembly and Political leader of the Democratic Action Congress (DAC), was elected yesterday as the first Political Leader of the National Alliance for Reconstruction (NAR).

Mr. Robinson was elected unopposed to lead the NAR into the next general elections. He will have as his two deputies Mr. Basdeo Panday, Leader of the Opposition and Political Leader of the United Labour Front (ULF), and Mr. Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR).

Mr. Herbert Atwell, Chairman of the ONR, was elected Chairman of NAR with two vice-chairmen being Mr. Nizam Mohammed (Alliance) and Mr. Clive Pantin (ONR).

### THE EXECUTIVE

Nine members each from both the ONR and the National Alliance were also elected to the NAR executive.

The ONR nine are Surajrattan Rambachan, Deputy Political Leader; Roy Augustus, Ken Ablack, Dr. Romesh Mootoo, Arthur Sanderson, Anthony

Smart, Phillip Nunez, Jenson Fox and Valerie Walcott.

The Alliance nine elected were John Humphrey, Winston Dookeran, Kelvin Ramnath, Trevor Sudama, Dr. Martin Sampath, Pamela Nicholson, Hochoy Charles, Lloyd Taylor and Dr. Beau Tewarie.

The executive of the NAR was selected by a committee comprising both members of the ONR and Alliance, according to the committee chairman Stephen Ranikamooj yesterday at the inaugural conference of NAR at the Grand Stand, Queen's Park Savannah.

The members of the executive were later sworn in, taking the oath read by Jenique Pascall.

### Panday Address

Port-of-Spain TRINIDAD GUARDIAN in English 9 Sep 85 pp 1, 21

[Text]

THE FIRST task for a National Alliance for Reconstruction (NAR) Government will be the mobilisation of our human resources.

This was stated by Mr. Basdeo Panday, one of the two deputy political leaders of NAR, at a public meeting held yesterday afternoon at Woodford Square, Port-of-Spain.

The Woodford Square meeting followed the NAR inaugural Congress held at the Queen's Park Savannah where Mr. A.N.R. Robinson was elected political leader with Mr. Panday and Mr. Karl Hudson-Phillips as his deputies.

Mr. Panday said that after mobilising the people, the next step would be to tell the people the truth about the state of the nation. "They must know exactly where we are and what is the task that lies ahead.

"If the situation is blood and sand, tell them so. Our people have in the past demonstrated tremendous resilience when the chips are down. They are capable of facing the facts and doing what is necessary to deal with the situation.

### ZEAL TO PRODUCE

"Having told them where we are, we must then indicate to them in clear and unambiguous terms where we want to go and how we intend to get there."

Mr. Panday said a plan of action must clearly identify the problems and the proposals for solution. He said priorities must be set, explained to the people and adhered to. It was only then would the people have the zeal to produce and the patience to wait.

The deputy political leader said that NAR believed that a truly democratic government had one purpose and one purpose only -- and that was the happiness of its people.

"It must provide the conditions which would enable the people to find happiness in their own way. A man cannot be happy unless he has the basic necessities in life -- food, clothing, shelter, health, educational facilities, and public utilities. But to be able to afford food, clothes, housing etc., you must have money, that means a job."

## Housing Policy

On the NAR's policy on housing, Mr Panday said this problem could be solved "not by demolishing the shacks of helpless people, but by providing them with building lots upon which they can build their homes by community effort-- such as is being done now on the Sou Sou Lands projects."

Mr Panday also saw the need for a complete overhaul of the present education system to provide not only meaningful and relevant education for the young, but also a system of adult education.

"One of the highlights of the NAR policy and programme for education is the establishment of an Open University of the Air. A person would be able to start from the bottom and work his way up to a university degree by listening to the radio and watching television."

The mass media, he said, had an important role to play in the development of the nation. "That role," Mr Panday added, "must be clearly defined and rigorously adhered to."

On the Police Service, Mr Panday said there were many good policemen in the service who were concerned with their deteriorating image.

"The fact is that they, too, would like to see a society in which they are regarded as friends and protectors; respected and loved. If that be so, why can't we have such a society?"

"We can, my brothers and sisters, we can. But we must first end the alienation. We must build a nation."

Mr Panday stressed that priority must be given to agriculture and agro-industries, storage, processing and marketing. He said if agriculture was organised sensibly, the people would not only provide the food people needed but raw materials would be created for a host of downstream industries with export potential.

He said about four years ago he told the Prime Minister that what they ought to do was to organise an annual Inventors and Innovators Fair at which \$300,000 would be the first prize, for the best innovation or invention, \$200,000 for the second and \$100,000 for the third.

[Photo caption; photo not included]

FIVE of the top men elected to lead the National Alliance for Reconstruction in discussion yesterday at the Grand Stand of the Queen's Park Savannah after they had been sworn into office. Missing from the "top six" is Mr. Clive Pantin, one of the two vice-chairmen. In picture, Mr. A.N.R. Robinson, (second from right), who was elected unopposed as Political Leader, makes a point at NAR's inaugural Congress during the discussions with, from left, Mr. Nizam Mohamed, vice-chairman; Mr. Karl Hudson-Phillips, Deputy Political Leader; Mr. Herbert Atwell, Chairman; and Mr. Basdeo Panday, Deputy Political Leader. Of the five in picture, only Mr. Atwell is not a barrister-at-law. (Photo by KRISHNA MAHARAJ).

"If such an invention or innovation can be established as an industry, then financial and other assistance must be provided to allow the inventor to set up business," Mr. Panday explained.

"When I told Mr. Chambers about organising this Inventors and Innovators Fair, he said it was a first class idea. And that's the last I have heard of it. He did not even have the capacity to steal the idea."

Mr. Panday, who is also the Leader of the Parliamentary Opposition, told the 3,000-strong audience that all was not lost and said there was hope for improvement.

"I know how helpless you must feel when you look back and see that this country had the wherewithal to transform these two beautiful islands into a veritable paradise — and in ten short years, the PNM oligarchy threw it all away. It is heartbreaking."

Mr. Panday said there was still enough fat in the economy to stop the downhill slide and swing the country around. He said what the

country needed now were inspired leaders and inspirational leadership.

"We need men and ideas that would fire our souls and fill us with such evangelical zeal that Olympian obstacles will be brushed aside with a single gaze of a united people."

Mr. Panday told the gathering that Trinidad and Tobago has been the richest of the West Indian Islands, but "we have not developed that deep sense of nationalism and patriotism that one finds in, say Jamaica or Barbados or even Grenada."

JPRS-LAM-85-088  
16 October 1985

#### Robinson Remarks

Port-of-Spain EXPRESS in English 9 Sep 85 pp 1, 48

[Article by Harry Partap]

**[Text]** NEWLY elected National Alliance for Reconstruction (NAR) leader Arthur Napoleon Raymond Robinson yesterday described the coalition's inaugural conference as a triumph of faith and political will so essential in the task of transforming the nation of Trinidad and Tobago.

Robinson accepted the leadership of the NAR with the pledge that his style would be "open and democratic, not clandestine and dictatorial."

Said he: "I have come to this position after 30 years in public life where I have served at every level, nationally and internationally, in government and in opposition, from the General Assembly of the United Nations to imprisonment in a police cell."

Robinson addressed the delegates at the Grand Stand of the Queen's Park Savannah where the inaugural conference was held. He later spoke to a large crowd gathered at Woodford Square where he was introduced by NAR deputy political leader Karl Hudson-Phillips. Opposition Leader Basdeo Panday also addressed the Woodford Square meeting.

He added: "In all of these positions I have always sought to hold aloft the transcendental ideal of service to the people of this country

and, more generally, the Caribbean and, indeed, all mankind." He said he remained "totally committed to this country and have no interest anywhere else."

Robinson said National Security Minister Overand Padmore could not answer several questions relating to "when, where and to whom" he had reportedly remarked about Trinidadians being foreigners in Tobago.

Said he: "The man, who today is brazenly attempting to categorise me as a foreigner, served in the Ministry of External Affairs with me as his Minister and deputy Political Leader of his party. That, of course, was some time

ago. He was respectful then but was never particularly bright."

Turning to the new alliance of parties, he said: "The NAR, by its constitution and platform of democracy, is irrevocably committed to the transformation of our society." And, he warned, "while we seek to achieve power, we must never forget that the quest for power and the use of power must be governed by principles and laws."

The NAR was inaugurated on a platform of national unity as the opposition coalition to challenge the ruling People's National Movement (PNM) in the General Election due next year.

NAR, comprising the National Alliance of Trinidad and Tobago (NATT) and the Organisation for National Reconstruction (ONR), was formalised into an arrangement which had been under discussion for more than two years. Three important functions were performed yesterday in front of a large crowd of delegates, observers and supporters at the Queen's Park Savannah in Port of

Robinson told supporters that the philosophical tradition in defence of the rights of man formed an essential part of the Caribbean tradition. He said it was the philosophical ideas behind the historical events that give significance and meaning to the events.

Said he: "If today the population demonstrates little interest in the celebration of Independence, if the celebration of Emancipation threatens to be restricted and stultified into the reproduction of mere historical forms, it is because the philosophies of liberation behind these events are insulated from the events themselves. The emphasis on forms and entertainment — on parades and fetes, to the exclusion of intellectual content, thus robs our history of its meaning and deprives us of our distinctive humanity."

Robinson told the Woodford Square crowd that the election campaign had started and that it was not too early for the NAR to unveil the PNM's "bags of dirty tricks."

Spain. The NAR constitution and its "Platform for Democracy" were adopted while the national executive was sworn in.

In his acceptance speech, Robinson described yesterday's conference as "a triumph of faith — faith in ourselves, faith in the people of Trinidad and Tobago." Said he: "While others were wishfully predicting we could never do it, we went ahead and demonstrated that we could. The doubting Thomases will, of course, continue to doubt. The Nehemiahs among us will have their day." Robinson urged party supporters not to "under-rate the nature of the task before us."

Said Robinson: "Our constitution, therefore, demands from us, individual and social commitment of the highest order within the context of a world perspective and against the background of a definitive philosophic position. Our world perspective and philosophy have their origins in Caribbean history and in the nature of Caribbean society. The forces which have shaped us have created a unique Caribbean environment and a distinctive Caribbean humanity."

Attack on PNM Tactics

FL111517 Bridgetown CANA in English 2037 GMT 10 Sep 85

[Excerpt] Port-of-Spain, 8 Sep (CANA)--The four-party National Alliance for Reconstruction (NAR) launched its Inaugural Conference today, attacking the government's electoral and monetary policies.

Political leader of the NAR, lawyer A.N.R. Robinson accused the ruling People's National Movement (PNM) of employing dirty tricks in the election campaign for the Tobago House of Assembly last year.

Following his election to the NAR top post, Robinson said: They (the PNM) conducted their campaign with a full armoury of dirty tricks--the dirtiest ever in the history of Trinidad and Tobago. He said the ruling party had accused its opponents of murder, arson, rape, theft, treason and of being communists.

The PNM were beaten in the poll, easily won by the Democratic Action Congress (DAC). The DAC, headed by Robinson, is a member of the alliance.

CSO: 3298/1019

TRINIDAD AND TOBAGO

PNM TAKES OFFENSIVE IN RESPONSE TO NAR CAMPAIGN

Chambers' Tours

Port-of-Spain EXPRESS in English 30 Aug 85 p 31

[Article by Anthony Milne]

[Text] A CIRCULAR has gone out from People's National Movement general secretary Alvan Quamina to constituency organisations concerning procedures at meetings during Prime Minister George Chambers's meet the party tour, soon to be resumed.

And constituency representatives have been invited to a meeting at Balisier House in Port of Spain, PNM headquarters, on Monday when they will be briefed.

But a party spokesman has denied that the tour, which is expected to be followed by the annual PNM convention in October, means the party is being put on election footing aimed at taking advantage of an early election, possibly to be called this year.

"It is not the style of a PNM Government to call elections before the full term of office is up," the spokesman said.

The tour is aimed specifically at providing Chambers with an insight into the present functioning of the party in the areas visited.

The continuation of the tour will start with a visit to Diego Martin East on Tuesday, Sep-

tember 3. Chambers, who is also Political Leader of the PNM, will meet with party members and supporters at the Diego Martin Junior Secondary School at 7 p.m.

The itinerary for the rest of the tour is as follows: Saturday, September 7, Nariva; Tuesday, September 10, Barataria; Tuesday, September 17, Fyzabad; Saturday, September 21, San Fernando East; Saturday, September 28, Arouca; Tuesday, October 1, St Ann's West; Saturday, October 5, Ortoire/Mayaro; Tuesday, October 8, Couva North; and Saturday, October 12, St Augustine.

The general secretary's circular asks constituency officials to ensure that adequate public-address systems are available at the meetings, and notes that Tony Deyal "has been providing videotape services at these sessions."

The format of the sessions is to be as follows: opening remarks by the constituency chairman, submissions from the floor on a party-group basis, replies to comments by the Parliamentary Representative, closing remarks from the

Political Leader, and then refreshments and social time.

Attendance at the sessions is "open to party members and supporters specially and carefully selected by the constituency group."

No memoranda are to be submitted at the sessions, but members have been encouraged to come prepared to "speak freely and frankly in sharing their ideas in respect of the present functioning of their constituency, the functioning of the party generally, those constraints which have a negative effect on the functioning of the party, locally and generally, the quality of performance of their Local Government Representatives and their Parliamentary Representative and to give some indication of the effectiveness of their constituency programme."

The circular says the sessions are designed

specifically to allow the Political Leader to be exposed to the thinking of party people at all levels.

Lastly, guidelines offered suggest that presentations should center on improving the party's impact and performance in each constituency, should avoid requests for personal benefits, and that "utilities and infrastructural matters" should only be raised if they affect the functioning of constituency organisations and the party.

Besides the meet-the-party tour, the programme of constituency conferences, for which this is the season, is to continue as well with meetings in St Augustine, Diego Martin Central, Barataria, and San Fernando East, all on Saturday, September 7.

The party's general secretary Alvan Quamina and Overand Padmore are to address the meeting in St Augustine.

On Saturday, September 8, the PNM Women's League will meet at 9 a.m. at the North

Eastern College, Sangre Grande, while the Youth League will meet on September 22 at the Success/Laventille Junior Secondary School.

JPRS-LAM-85-088  
16 October 1985

### Padmore Attack

Port-of-Spain SUNDAY EXPRESS in English 8 Sep 85 p 3

[Text]

**MINISTER** of National Security Overand Padmore launched a full-scale attack on the National Alliance for Reconstruction (NAR), which meets today to launch the opposition party formally, at the annual meeting of the People's National Movement (PNM) St. Augustine constituency party group yesterday.

"The leaders of our party never had to get on an airplane and go to Grenada to come to any political agreement," he said, referring to the recent trip to Grenada by Parliamentary Opposition Leader Basdeo Panday and Tobago House of Assembly Leader ANR Robinson. The meeting, since referred to as the Grenada Accord, took place last weekend.

Paday and Robinson flew to St George's to meet Organisation for National Reconstruction (ONR) leader Karl Hudson-Phillips, who is leading the prosecution in the Maurice Bishop murder trial, to settle a row over candidates for the next general election.

Padmore said yesterday: "Our Peoples Charter of 1956, the fundamental document that governs the PNM, was revised in 1970 in Chaguaramas. We called that agreement the Chaguaramas Declaration. Note Chaguaramas. Right here in our country." Padmore said.

"We, the PNM, consider ourselves to be a free nation. We don't look to any outside country for our destiny. But the opposition had to run to Grenada for an accord and they had to run to the chief foreigner among them," Padmore said, presumably referring to Hudson-Phillips, whose father is Grenadian by birth.

"Now you understand why we're called the PNM," Padmore said. "Whatever our tribulations within our constituencies the essential thing is that the PNM is a vibrant, dynamic functioning political organisation. There is concern when we're misrepresented, distorted by the media," Padmore said referring to recent reports in the media over crime statistics.

"But we must not be overly concerned or overly sensitive about these accusations. We are a self-reliant people — more so than most countries. What makes us strong is our functioning democracy.

"No newspaper, radio station or television will ever make a political leader in Trinidad and Tobago. We, the people, choose our leaders."

Padmore said the PM was not necessarily against any opposition party. "An opposition keeps us on our toes. But this opposition has no leader. Every party has a leader and they have chosen one among them to serve as their leader. They have chosen the one with the least amount of following."

Padmore dismissed the opposition as arrogant and said they copied the ways of the PNM. "Just imagine they say we copy their idea for a raffle," he said.

"We must understand the difference between a true, true party and a play, play party," Padmore said.

"During the Tobago elections, we the PNM were called foreigners," Padmore said in an indirect reference to ANR Robinson. "Well, I was told that I used the wrong word, it was really 'strangers' he said he used. Now that same man who called us strangers in our own country, got on a plane and flew to Grenada to come to an agreement on how to run his party and he wants us to call him Prime Minister."

TRINIDAD AND TOBAGO

RESIGNATIONS FROM ONR OVER RAMBACHAN ISSUE EXAMINED

Speculation on Motives

Port-of-Spain SUNDAY EXPRESS in English 1 Sep 85 p 3

[Article by Anthony Milne]

[Text]

QUESTIONS are being asked both inside and outside the Organisation for National Reconstruction (ONR) about the resignations of Chairman Roy Augustus and four other members of the party's executive. Were the resignations based exclusively on principle, or were other considerations involved?

Augustus, Stalin Jones, Neville Hordatt, Ronald Ramcharan, and Ms Denise Charles resigned earlier this week over Political Leader Karl Hudson-Phillips's decision to ask Deputy Political Leader Suruj-

rattan Rambachan to stay on after they had called for his resignation.

It has been suggested that some of those who resigned were disappointed in the way the election of nominees to the executive of the National Alliance for Reconstruction went at the ONR's special national meeting on Sunday.

This has been denied by Augustus.

"That is not my impression," he told the EXPRESS on Friday. "The resignations had nothing to do with the elections and there have been no antagonisms created by the results. In fact I have called the new Chairman of the party and expressed my support."

But political sources say both Party Organiser Mervyn Assam and former Education Officer Neville Hordatt were quite upset over the election results.

Hordatt was beaten by Herbert Atwell in the race for party Chairman on Sunday.

Mervyn Assam was not one of those who resigned, but he lost the race for Vice-Chairman to Clive Pantin. Augustus, Ramcharan, and Merle Stephen all ran for posts in the NAR executive. Only Augustus secured one of these posts.

It has also been suggested that if those who resigned were upset over Hudson-Phillips's decision they should have withdrawn from the elections immediately.

But if they had been successful in the election, some say, they might have resigned from the ONR executive anyway and gone onto the NAR executive. However this, it has been noted, would have left them in the peculiar position of having resigned from the ONR executive and then rejoined, as Augustus has reportedly done.

This is so because, according to amendments made to the ONR constitution on Sunday, any person from the

ONR who is appointed to the executive of the NAR automatically becomes a member of the ONR executive — at least after the NAR inaugural conference on September 8.

However, some observers feel this is an incorrect interpretation of the new amendments, declaring that it is only "elected officers," like the Deputy Political Leader and Chairman, to which the new provisions apply.

It has come to light that 10 of 14 executive members present at the two and a half hour meeting on June four (out of a total executive of 19), four days after Rambachan's statements on television, voted in favour of Rambachan's resignation.

Praise From Robinson

Port-of-Spain TRINIDAD GUARDIAN in English 30 Aug 85 p 1

[Text]

MR. A.N.R. ROBINSON, Political Leader of the National Alliance of Trinidad and Tobago (NATT) yesterday commended the five senior officers of the Organisation for National Reconstruction (ONR) who resigned their posts "as a matter of principle" over the Suruj Rambachan affair.

Mr. Robinson, who is expected to be elected Political Leader of the National Alliance for Reconstruction (NAR), an amalgamation of opposition parties, when NAR holds its inaugural Congress on September 8, said:

"It is quite clear that both parties (NATT and ONR) are sorting themselves out in order to prepare the way for unified action as planned. I must commend any stand taken on the basis of principle in the politics of Trinidad and Tobago."

A BESETTING SIN

The five resigned because the ONR rejected their call that Mr. Rambachan should resign as a result of his outburst at the Indian Arrival Day ceremony.

Mr. Robinson referred to the investigation being carried out by NATT into alleged flouting of party directives at the recent county council election of officers and the ONR resignations when he said "Both parties are sorting themselves out."

Continuing yesterday Mr. Robinson said:

"The five must receive our warmest appreciation. I note they (the ONR five) are committed to continue in public life of the country as members of the ONR and ultimately as members of NAR.

"Clinging in office regardless has been one of the besetting sins of politics in Trinidad and Tobago and has been responsible largely for the state of degradation of the ruling People's National Movement.

"The politics of principle is a welcome change and all who are committed do it must feel heartened by this new development, and I feel both parties will now be in an even stronger position to move forward towards our goals."

### 5th Resignation From Executive

Port-of-Spain TRINIDAD GUARDIAN in English 4 Sep 85 p 1

[Article by Clevon Raphael]

[Excerpt] A sixth Organisation for National Reconstruction (ONR) official has resigned from the executive of the party over the "Suruj Rambachan Affair."

And like the five who previously quit their posts for the same reason, Alderman Mervyn Assam, Chairman of the St George East County Council, has pledged continued loyalty to and membership in the ONR.

His resignation was tendered and accepted at Monday night's executive meeting of the ONR with the similar haste in which the others were replaced, the executive swiftly appointed Councillor Arthur Sanderson to fill the vacant post of Party Organiser.

Councillor Sanderson is a member of the St Patrick County Caroni of which Alderman Suruj Rambachan is chairman.

It is understood that Alderman Assam took the "principled decision" and resigned because the political leader of the ONR, Mr Karl Hudson-Phillips, did not consult the executive before exonerating Mr Rambachan at the recent conference of the ONR for his outburst at the recent Indian Arrival Day ceremony.

### Ideological Differences

Port-of-Spain EXPRESS in English 6 Sep 85 p 3

[Text]

A SENIOR member of the National Alliance for Reconstruction has said that "ideological differences" rather than the Rambachan issue was the reason for the resignation of several members from executive positions in the Organisation for National Reconstruction.

He said the NAR was having problems drafting a common economic policy because "certain members in the ONR" objected to some of the policies proposed by the Alliance section. "These members are extremely right-wing," the source said, "and they were opposed to any economic measures which threatened the rich minority."

"These people did not want any policies which would redistribute the wealth of the country and place it back into the hands of its people."

The source said that this ideological difference which had been a bugbear in the NAR movement to unity for some time now, has been removed with the resignation of the seven members from the ONR.

Roy Augustus, chairman, and four other officers, resigned from executive

positions in the NAR last Wednesday, on what they claimed was the "principle" of Suruj Rambachan's being allowed to retain his post as Deputy Political Leader of the ONR. On Tuesday, two other ONR officers joined them.

"These resignations have cleared the way for unity," said the NAR official. "When Panday says that there is no turning back on the road to unity, he knows what he is talking about."

The official said that another important factor which continues to pave the road for Opposition unity is the ability of NAR's political leader A.N.R. Robinson to negotiate with all sides. Said the source: "It was Robby who finally pushed through the Grenada Accord."

The source added that Robinson was an exceptional leader and that as long as he (Robinson) had to examine all issues, there would be no great problem in the future. "Between the ONR reshuffle and Robinson's election as leader, the NAR is in business," the source said.

TRINIDAD AND TOBAGO

CHAMBERS RAISES ISSUE OF LOCAL GOVERNMENT STATES

Warning on Funding

Port-of-Spain EXPRESS in English 5 Sep 85 p 1

[Article by Ria Taitt]

[Text] **LOCAL government bodies could have their funds taken away if they continue to shirk their responsibilities, said Prime Minister George Chambers Tuesday night as he addressed members of the Diego Martin East Constituency of the ruling People's National Movement.**

The Prime Minister, continuing his Meet-The-Party Tour in his capacity as Political Leader of the PNM, also had a warning for "those who feel that the task of overcoming the PNM" would be easy: "Wait and see."

Chambers responded to complaints from members of the constituency about problems of flooding in the River Estate area. Residents of River Estate said there were floods whenever rain fell and, in many cases, the water entered their homes. They said that when they approached local government bodies to deal with problems of flooding, the response was "no money."

"I have been hearing this response repeatedly," said Chambers. "I am beginning to get the impression that whenever people go to the new local bodies, they are being told that there is no money before these officials even hear their problem." He said he was puzzled as to why the 1985 budget of \$8,000 million was not being expended. He added, however, that the parliamentary representatives and the Government would "always get the blame."

Chambers said that a new concept of local government was needed because "in innumerable cases" local government bodies were not aware of their responsibility. He said that people were going to these bodies, saying that they were willing to put up the labour and half the costs and they were getting absolutely no response from local bodies and state enterprises. "I tell you River Estate, that I will take up your problem myself," said Chambers.

He said that after getting an estimate from Minister of Works Hugh Francis on the cost of proper drainage, he would investigate whether the issue fell under the purview of local government. "If it does, I would take up the issue of diverting funds from the county council," said Chambers. If they can't handle the money

themselves, we will have to deal with it," he said.

The Prime Minister, in his capacity as political leader of the PNM, also called on members to assert their rights as citizens of the Republic of Trinidad and Tobago." He told his audience to cease that practice, characteristic of party members, of subordinating their rights as citizens and asking the political leader to use his good office (to assert these rights for them). Said he: "You have rights as any one else."

Chambers also received complaints about unlawful cutting of the hillsides, but said that this problem had to be tackled at a later date because it related to the deeper issue of "a general disregard for the law." "There is no possible way in which the Government of Trinidad and Tobago could hire the number of people needed to marshall the hillside area."

However, he said he would speak to the Attorney General when he "crystallised" his thoughts on the matter.

Chambers said that he would deal with some of the other problems raised (vagrancy, lack of water, need for recreation grounds) at the Annual Conference of the Women's League of the PNM on Sunday.

He concluded his Meet-The-Party Tour of Diego East, stressing his belief in the strength of the PNM party. "PNM is a living organisation, comprised of people, not ghosts. It is going to be very difficult to overcome it."

Council Association Reply

Port-of-Spain EXPRESS in English 7 Sep 85 p 5

[Text]

**LENNOX SANKER-SINGH**, chairman of the Association of County Councils, speaking on behalf of the Association, has accused Prime Minister George Chambers of being totally misinformed about the functioning and operations of county councils which form the larger part of local government bodies.

He was responding to statements made by Chambers during the Diego Martin-East leg of his "Meet-the-Party" tour. Chambers had said that he was of the impression that people who went to the new local government bodies, even before they had to state their problems, were being told that there was no money. Chambers also professed to be puzzled about the reason why the 1985 Budget of \$8,000 million was not being expended, and he declared that a new concept of local government was needed because, in innumerable cases, local government bodies were not aware of their responsibilities.

Chambers also claimed that people who went to local government bodies with a request to "put up the labour and half the costs" of certain projects were getting no response from these bodies and state enterprises.

Sankersingh said that only five per cent of the the total governmental budget of \$8,000 million is allocated to county councils, a sum of \$312 million for some seven county councils. County Councils must then use this sum to undertake those functions that affect the basic amenities and welfare of the people. Additionally, he continued, the manner in

which these funds were disbursed to the councils was totally unsatisfactory.

From releases on a quarterly basis a few years ago, to monthly releases last year, the councils now receive funds on a fortnightly basis, with no certainty as to exactly how much would be received from fortnight to fortnight. Planning and even purchase of materials as a result, he explained, were very difficult, so that workers were often paid for doing nothing. These matters, he said, had been raised on numerous occasions with the Ministry of Local Government. He added that the Minister in the Ministry of Finance agreed with the Association that this was an untenable situation.

He said that it was misleading to say that local government bodies were not aware of their responsibilities. He felt rather that it was the Central Government which was unaware of the responsibilities of local government. He cited several areas where the county councils had legal responsibility but not executive authority: functions such as the School Feeding Programme, provision and maintenance of community centres and homes for the aged, and the lighting of all roads except main roads; all of which, he said, were functions of the county councils by virtue of the County Councils Act, but which were being handled by the Central Government or its agencies.

Local government bodies, he said, are inadequately staffed. And, he explained, that for many years, the Association had been asking that each council be given its

own engineer and a qualified accountant, to no avail. No county council, he said, has an engineer at present, while the Secondary Roads Company has 17. He felt that the county councils had always been treated as "the dumping ground for personnel not needed in other governmental departments, and have always been at the bottom of the ladder in terms of their importance in the governmental structure."

But he felt that in spite of all these shortcomings, the present group of councillors had performed relatively well in comparison with the performance of other government departments. This, he said, was evidenced by the number of self-help projects initiated by the councillors throughout the community where thousands of feet of water pipes had been laid by villagers using their own labour and finances.

The Association, Sankersingh said, viewed with grave concern the threat made by the Prime Minister that local government bodies could have their funds taken away from them. "We see this as a threat to the democratic principle on which our society is built," since a strong local government is an indispensable part of any democratic system and the first sign of any tyranny is when threats are made against local government, and he pointed to the example of Grenada where Eric Gairy had disbanded local government.

Chambers' Clarification

Port-of-Spain TRINIDAD GUARDIAN in English 9 Sep 85 p 3

[Text] POLITICAL representation is no bed of roses and it requires absolute sacrifice, Prime Minister George Chambers emphasised to members of the Nariva constituency of the ruling People's National Movement (PNM) on Saturday afternoon.

Mr. Chambers, who was meeting the constituents in his capacity as Political Leader of the PNM, denied he threatened to take away funds from local government bodies and that he called for a new concept to local government as reported in a daily newspaper (not the Guardian) last week, based on the meeting held with the Diego Martin East Constituency Tuesday night.

Mr. Chambers told his audience Saturday, on another leg of his meet-the-party tour, that contrary to what the Association of County Councils might say he was not misinformed on the functioning and operating of the councils.

#### NEW APPROACH NEEDED

The Association made that accusation based on the report carried in the other newspaper.

Mr. Chambers assured his audience that he was actively associated with local government since 1951, and in clearing up the "mis-reporting" in the matter recalled he made points relative to flooding complaints received Tuesday night from constituents and community development.

He explained:

"I drew attention to the fact that a number of persons in various communities in Trinidad and Tobago were demonstrating a tremendous amount of self-help and that, in my view, there was inadequate response from community development, and I had been giving some thought to this whole question and that it was my view that we need a new approach to the system of community development.

"That is what I said in Diego Martin East. I was reported as saying that we need a new approach to local government.

Stressing he never threatened to remove any funds from the local government bodies, Mr Chambers explained:

"What I said was that in the light of the general sympathy which I was prepared to show to the people of River Estate (in the Diego East Constituency), I would personally take up the matter to see whether or not it was a local government responsibility (for flooding problems).

"If it turned out to be so and the local government body could not do the job, we could ask another agency to do the job and meet the cost from the allocation for that local government authority... that is what I said."

"Dealing with general matters he said many of the problems raised by party members properly fell in the province of local or central government.

He lamented the failure of the constituency (Nariva) to make more positive contributions in relation to the party.

Promising to deal with allegations of victimisation against PNM members and supporters in the area of employment — if evidence was produced — Mr. Chambers said political representation required enormous sacrifice.

He continued:

"Political representation requires you at times to give up your own family life, your own private pursuits in the interest of the service of the people whom you went to in the first place.

"They never went to call you, you went to them. Political representation requires a lot of guts and, above all, it requires a level of astuteness.

"For example, if you are in a village where there is a problem, one of your functions must be as well to mobilise village support for the action you propose to take.

"If you do not do that somebody else is going to do it for you. Somebody is going to creep in through the side door, the back door or both, and do it for you.

"Representation is not a bed of roses. It is not a tea party, not a bunch of angels out there when you have elections. Political representation is serious business which means that you have a first responsibility to the constituency that voted for you."

TRINIDAD AND TOBAGO

CHAMBERS' INDEPENDENCE DAY MESSAGE TO THE NATION

Port-of-Spain SUNDAY GUARDIAN in English 1 Sep 85 p 17

[Apparent text of message from Prime Minister George Chambers to the nation marking Trinidad-Tobago independence; date and venue not specified]

[Text] ANNIVERSARIES are a time for stock-taking, reflection and looking ahead, all the more so at times when we know that significant changes are taking place in our lives. This is as true for the Nation as it is for us as individuals.

Although we continue to have much room for managing our destiny, we must never lose sight of the fact that Trinidad and Tobago is a very small country in a world which is large yet shrinking. Our future therefore must inevitably be influenced by developments taking place beyond our frontiers, in the region, the hemisphere and the world at large. Let me remind you that less than two years ago the world economy was widely believed to be emerging from its worst recession in more than fifty years. There is now grave doubt, however, about the durability of the recovery and its benefits, if any, for developing countries such as Trinidad and Tobago.

Yet, we must recognise that we have endowments and opportunities which give us an advantage over most others in these difficult times. In particular, the unique combination of a high level of education and training, abundant natural resources and strategic location constitute an asset of immense potential. It affords us the opportunity to consolidate the considerable gains which we achieved over the last decade and thereby preserve our position as one of the better off countries in this part of world. But none of this should be taken for granted, for this potential would be realised only through discipline, dedication to duty, high standards of performance and commitment to the common good.

Preservation of the country's independence makes it incumbent on all of us to recognize the importance of acting to protect the stability and reinforce the strength of the economy. Accordingly, I use the occasion of my message on the anniversary of our Independence to brief the national community about our successes, reverses and continuing challenges in the management of our economic affairs.

#### FOREIGN EXCHANGE

In my 1985 Budget Statement, I stressed that this is probably the most crucial year in effecting the passage of the economy from a period of high and unsustainable growth to an era of steady progress and realistic expectations on the part of the population. Essential to the required adjustment is the establishment of a degree of balance in our economic relationships with the rest of the world as reflected in the inflow and outflow of foreign exchange, that is, in the country's balance of payments. So far this year, we have succeeded in building on the improvements achieved last year. For example, to the end of June we earned a surplus of \$708 million on visible trade which is higher than for the entire year 1984. The net sale of foreign exchange to the commercial banks by the Central Bank is further evidence of the improvements achieved to date; up to last week it was approximately one third lower than for the corresponding period last year.

Encouragingly, the expenditure of foreign exchange on vacations, medical services and businesses travel overseas has also fallen, being 27 per cent lower in the first half of 1985 compared with 1984. The net result of these positive developments, supplemented by a modest increase in exports, is that the country's foreign exchange reserves fell by \$673.4 million by the end of July, a figure which is about one half of the reserves lost during the first seven months of 1984. However, while our reserves still provide cover for about seven months' worth of imports, we certainly have not yet reached a point where the policy of restraint in the use of these resources can be relaxed.

The improvement in the balance of payments reflects the success of fiscal and monetary policy in curbing the community's desire to spend. Moreover, there are signs

that we are once more appreciating the fact that we must increase our production so as to bring our income more in line with expenditure. Agricultural production, both of traditional export crops and of items for domestic consumption, has risen noticeably this year. This has made a major contribution to lowering the rate of inflation which in the twelve months ended July 1985 rose by 7.5 per cent, this being the lowest rate of inflation since 1971.

Significant progress has been made over the last three years in reducing the budget deficit and the Government intends to continue to exercise great restraint in the management of the country's fiscal affairs. Let me caution that success in reducing imports, among other factors, has complicated the job of fiscal management insofar as the inflow of revenue has not fully matched earlier expectations. If we are to maintain acceptable levels of capital expenditure, therefore, the only visible course is to continue to hold the line on recurrent expenditure, especially on large items such as wages and salaries. Should we lack the resolve to do so, the progress made to date in improving the balance of payments and reducing inflation would be swiftly eroded and the scope for sustainable expansion of the economy in the medium term thereby imperilled.

#### LIFELOOD

On the more positive side, Government's recent policies have been aimed at stimulating investment and exports to non-regional markets largely by the provision of appropriate fiscal incentives. The country's enviable record of political stability and economic management as well as its many other advantages inspire the confidence which underlines decisions to proceed with investments. As you realise, the lifeblood which feeds renewal, expansion and modernisation of an economy is investment. It is the means through which we will create the opportunities of gainful employment for our citizens, particularly the increasing numbers of our young people seeking employment, and of deepening the technological capabilities of the country to provide the new exports so essential to our future well-being.

The oil sector has responded positively as can be seen from the reversal last year of a five year trend of falling production, and an even larger increase recorded so far this year. The expanded work programmes of Amoco and Trinmar to which I referred last year have started. The prospects continue to be very good for further expansion of energy-intensive industries through which the country's abundant endowment of natural gas would be commercialised.

#### FAR EAST

Diversification of the manufacturing sector has become even more urgent in the thrust for increasing non-traditional exports outside the region. My personal involvement in marketing Trinidad and Tobago to potential investors is eloquent testimony of the priority which we attach to realising this objective. The official discussions and the initiatives taken by businessmen who accompanied the delegation which recently visited the United Kingdom and countries in the Far East, were sufficiently encouraging to make me confident that a number of projects will materialise.

It was to stimulate and facilitate such investments that Government, as you will recall, appointed several committees whose terms of reference encompassed a review of policies and procedures relating to the treatment of new investment. Reports from two of these Committees have recently come to hand, namely,

- the Committee appointed to review the role and mission of the Industrial Development Corporation; and
- the Committee appointed to determine the relative roles of the national and foreign private sectors and of the State in the production process, as well as the role to be played by foreign private investment in our future development.

Earlier this year I proposed the establishment of a "one stop shop" to facilitate approval in investment applications. The responsibility for this function was assigned to the Minister in the Ministry of Finance and Planning. The report of the two committees as well as the Minister's recommendations for a set of interim measures which can be implemented without the need for change in existing legislation, are now before the Cabinet.

The quality of industrial relations is a vital ingredient in the investment climate. The laws of Trinidad and Tobago provide a framework for the orderly conduct of the process and we are fortunate to have developed a tradition which, by and large, respects the provisions of collective agreements. These have served us reasonably well in the past. It is true that today there is much strain on the system with the increase in unemployment brought about by the adjustments taking place in the economy. I am on record as deplored the tendency of some employers to resort to retrenchment as a first choice in dealing with their problems. I have also reminded workers that they should at this time place job security ahead of striving for further improvements in conditions of service, particularly where such gains exceed productivity levels.

I cannot over-emphasise that this is no time for postures of sterile confrontation in the conduct of industrial relations. We should choose instead constructive dialogue as the means of achieving our goals, always keeping the national interest in the forefront. There is no denying that prevailing wages and salaries are far superior to those in most developing countries and compare very favourably with those in many developed countries. Indeed, as I have reported, I had great difficulty in disabusing the minds of most people whom we met on my recent mission abroad of the notion that Trinidad and Tobago is a developed country.

Fellow citizens, our own efforts can only succeed in an international environment of peace and stability and within a framework of economic relations that recognises the interests and aspirations of the developing countries. From the moment of its Independence, Trinidad and Tobago has sought to meet its obligations to the region and to the international community to the fullest degree. In a short twenty-three years, Trinidad and Tobago has won itself high esteem internationally, not by claiming to the world on every issue that arises but by its quiet, strict and firm adherence to the principles which should govern the relationships between States.

It is no accident therefore that in January, 1985, we took up a seat on the Security Council of the United Nations. We then assumed a more influential role in determining the world body's responses to the many situations of conflict that threaten mankind, including the profoundly disturbing recent events and developments in Southern Africa.

### ISSUES

The world community at large has in recent times become acutely conscious of the issues, both economic and strategic, affecting the security of small states. So seriously was this question viewed at the last Commonwealth Heads of Government Meeting in New Delhi that a special study was commissioned, the report on which will undoubtedly be one of the main items on the agenda of the forthcoming meeting in Nassau. It is idle to believe that such issues do not touch Trinidad and Tobago closely. I need only remind you that international terrorism knows no boundaries. This is compelling reason to spare no effort in joining the deliberations to search for a code of conduct for the protection of small states.

Trinidad and Tobago has also taken a keen interest in international economic affairs. In the field of international monetary and financial reform we have contributed to the efforts of the Commonwealth and continue to play an active role as a member of the Group of 24, the

Committee of developing countries charged with specific responsibility for these matters. Moreover, the rules and regulations governing international trade are vital to us as a small country since trade lies at the centre of our economic life. Accordingly we have been joining with others in the General Agreement on Tariffs and Trade (GATT) in making every effort to ensure that the proposed new round of multilateral trade negotiations takes full account of the interests of the developing world as a whole.

### CONSULTATION

In the final analysis, our greatest resource is our people. It is for this reason that the Government has always sought to provide the fullest opportunity for the acquisition of the knowledge and skills which will enable the nation to manage its affairs with competence in the increasingly sophisticated world of tomorrow. These concerns led to the decision to review the 1968-83 Education plan. This reassessment has been completed and a draft plan covering the period 1985-1990 will, before long, be the subject of a national consultation. On that occasion parents, teachers, professional organisations, the children themselves and all others will be welcome to participate with a view to culling a national consensus on this vital issue.

In appealing to all our citizens to participate constructively in this exercise, I feel compelled to express my regret at the indifference demonstrated to the invitation to make submissions to the Cabinet appointed committee on the introduction of a system of national service for Trinidad and Tobago. This proposal was born out of a concern for the problems facing the youth and the contribution which they must necessarily make to nation building. Surely, such an initiative deserves the fullest possible support.

I am, however, heartened by the clear signs of serious concern which we as a people are now displaying at the incidence of the abuse of drugs in our society and, in particular, among our young people. One of the most welcome developments has been the collective response to the problem by the entire community — the churches, PTA's, social workers, professional groups, parents and not forgetting the young people themselves. All of us must make common cause in a counter-offensive against this threat. For its part the Government took the initiative last year to establish a Commission of Enquiry into the Incidence of Drug Abuse in Trinidad and Tobago and we await its report. Meanwhile draft legislation has been prepared incorporating substantial amendments to the Narcotic Control Ordinance and is now being considered by

to a Cabinet committee prior to its introduction in Parliament.

My friends, our strength as a nation and our ability to meet the challenges which confront us hinge on our willingness to become engaged and not be mere bystanders. On this twenty-third Anniversary of our Independence, it is worth remembering that notwithstanding or present difficulties there is much which we have achieved through our own efforts. Two years away from our Silver Anniversary we remain blessed with political and economic stability; respect for Basic Human Rights and Fundamental Freedoms prevails — there are no prisoners of conscience nor political prisoners; the independence of the Judiciary is intact; there is equality of opportunity for all, and we are a model of racial equality and harmony. Let us therefore commit ourselves to the preservation of these many positive attributes and build on these strengths not only for ourselves but also for the generations to come.

Let us take pride in Trinidad and Tobago.

My family joins me in extending best wishes to each and every one of you on this the twenty-third anniversary of our Independence.

CSO: 3298/1021

TRINIDAD AND TOBAGO

UNION HITS CHAMBERS' INDEPENDENCE DAY REMARKS

Port-of-Spain EXPRESS in English 5 Sep 85 p 4

[Text]

**CONCERN** has been expressed by trade unions over statements by Prime Minister George Chambers in his Independence Day message.

According to a release from the Oilfields Workers Trade Union, at its membership meeting at the Metal Box strike camp on Tuesday, workers and trade union leaders expressed concern about the "unfortunate statement made by the Prime Minister on industrial relations in his Independence Day message."

The OWTU said trade union leaders and workers felt that the statement was biased in favour of employers and prejudicial to the many wage negotiations in the country that are either at the Ministry of Labour, the Industrial Court, the Appeal Court or at bilateral level.

The union said it was concerned about his remarks, "especially his statement that the level of wages in Trinidad and Tobago is above those of the Far East countries which he recently visited and his remark that wages compare favourably with North America and Western Europe."

Trade union leaders and workers, the OWTU release said, felt that the Prime Minister, if he wanted to comment on industrial relations, should have called for peace in industrial relations and not be specific in his comment on situations where workers are taking legal industrial action as provided for in the Industrial Relations Act.

"The meeting unanimously felt that the Prime Minister's position is a clear position against wage increases," the release said.

CSO: 3298/1021

TRINIDAD AND TOBAGO

OWTU CONVENTION WARNED OF NEED FOR DEEPER LABOR UNITY

Port-of-Spain EXPRESS in English 9 Sep 85 p 3

[Text]

**T H E l a b o u r**  
movement must de-  
velop and deepen its  
unity in order to be  
able to survive the  
devastation that will  
come.

This warning was  
sounded by Oilfields  
Workers Trade Union  
(OWTU) vice president  
Errol McLeod as he  
opened the union's 46th  
annual conference of del-  
egates at the Palm's  
Club in San Fernando.  
The guest speaker was  
editor and author Tariq  
Ali of Britain.

Said McLeod: "The  
labour movement must  
refuse to bear the burden  
of corruption, foreign ex-  
change swindle, prestige  
projects, profiteering, fi-  
nancial and real estate  
speculation and foreign  
control."

McLeod told the dele-  
gates that they would  
have to struggle for a  
new international eco-  
nomic order on the in-  
ternational front.

"It must be an inter-  
national order that guar-  
antees fair commodity  
prices and puts an end to

deteriorating terms of  
trade and the rip-offs  
being perpetrated by the  
western counties," he  
said.

McLeod raised the  
question of the Interna-  
tional Monetary Fund  
(IMF). "Soon when the  
foreign reserves have dis-  
appeared the IMF will  
step in," he said.

"This will further  
devastate working peo-  
ple. In order to pay for  
what we do not produce  
we will have to enter on  
IMF conditional pro-  
grammes.

"This would mean for  
our economy cutbacks in  
imports, escalation of  
prices of imports, maxi-  
devaluation of currency,  
repression of wages, mas-  
sive reduction in govern-  
ment expenditure, big  
tax increases, galloping  
cost of living and accele-  
rated retrenchment."

McLeod said that the  
imperatives of adjust-  
ment announced by  
Prime Minister George  
Chambers were not im-  
peratives for the wage  
and salaried earner.

CSO: 3298/1021

TRINIDAD AND TOBAGO

IDB LOAN TO BE USED FOR INFRASTRUCTURE, OTHER PROJECTS

Port-of-Spain TRINIDAD GUARDIAN in English 29 Aug 85 p 4

[Text] THE Inter-American Development Bank has loaned Trinidad and Tobago \$18.8 million to finance development projects with a total cost of \$63.5 million since 1967.

"The bulk of this financing has gone to help strengthen the country's social infrastructure, create jobs, and train manpower," an IDB newsletter disclosed. "Since 1975, Trinidad and Tobago has not applied for bank loans due to its favourable position resulting from the increase in petroleum prices."

The bank's greatest contribution in the country's development was in the area of water supply and distribution. In 1967 the country applied for \$300,000 loan for a study of the country's water resources and needs, the newsletter said.

"Following the study's completion, the bank extended two loans totalling \$5.7 million to the Water and Sewerage Authority (WASA) for the first stage of the programme to double the nation's water supply," the newsletter pointed out.

"Consisting of a storage system based on pumping water from the Navet River Dam to a nearby water treatment plant, the project has increased the country water supply by about 17 million gallons per day."

In 1978 the bank, complementing that project, provided a \$120,000 technical co-operation grant to help WASA map the country's water distribution system; provide leak detection and system control; water pollution control, and maintenance and sewerage treatment plants.

In addition, the IDB in 1974 provided the country a \$2.7 million loan to build and equip 26 suburban and rural health centres to help correct the considerable overcrowding the major hospitals had experienced.

"The project is providing health services to about 200,000 low-income suburban and rural dwellers who, until 1974 have not had access to medical care," the newsletter said.

Simultaneously, the IDB provided a \$270,000 technical co-operation

grant to the Ministry of Health to improve its administrative and financial systems, as well as upgrade technical and professional personnel.

"A \$130,000 technical co-operation grant approved in 1979 helped finance feasibility studies on decentralising the health services of regional hospitals and complementing health-care centres which provide primary health services at the local level," the newsletter said.

TRINIDAD AND TOBAGO

VALUABLE FOREIGN EXCHANGE SAID BEING LOST TO DRUGS

Port-of-Spain TRINIDAD GUARDIAN in English 30 Aug 85 p 7

[Text]

**SAN FERNANDO:**

VALUABLE foreign exchange earned from oil and the new export thrust is being frittered away by the millions to pay for drugs, which if not eradicated, will soon reduce the country's ability to earn more.

That was told to members of the San Fernando Rotary Club by Mr. Hedwidge Bereaux, president of the South Trinidad Chamber of Industry and Commerce during an address to the organisation earlier this week in San Fernando.

"Drugs reduced the amount of savings which the people can make, thereby reducing the cash available for investment which is needed to refuel the economy," said the Southern lawyer.

He pointed out that in addition, cocaine comes from a foreign source and has to be paid for in American dollars.

Mr. Bereaux was certain that "we all know of the well-established black market in American currency where a U.S. dollar earns as much as \$5 (TT).

He told the Rotarians: "If greed causes you to accept that \$5 (TT) for a U.S. be aware that you have just assisted in the purchase of cocaine which will most likely be used to destroy the life of your relatives, and will carry our country a step further down the path to economic and physical destruction."

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BRIEFS

INCREASE IN INVESTMENTS--Port-of-Spain, 10 Sep (CANA)--Trinidad and Tobago already expects over TT22 million dollars (one TT dollar : 41 U.S. cents) in foreign investment following Prime Minister George Chambers' recent overseas tour, according to its Industrial Development Corporation (IDC). IDC Chairman Jack De Lima, speaking at a news conference yesterday in Port-of-Spain said that new investment figures for 1985 had already outstripped all of last year's. De Lima said that South Korea, one of the countries visited by the prime minister, planned to set up a TT10 million dollar investment project, the details of which he declined to provide. The IDC has also been notified of a TT12.5 million dollar enterprise which the United Kingdom intends to embark upon. This application has not yet reached the IDC. De Lima also announced that representatives of the Taj Hotel group of companies will be arriving in Trinidad next week to look at sites for possible development. [Text]  
[Bridgetown CANA in English 2040 GMT 10 Sep 85 FL]

PNM DEBT SETTLEMENT--Ruling People's National Movement (PNM) has wiped out its \$500,000 bank overdraft. Party sources were tightlipped yesterday as to how this was achieved just a few months after the state of the party's finances, particularly with respect to the overdraft, were made public. But one PNM source hinted: "The party has always had fixed deposits so the chances are some of this was utilised to put the books back into the black. If even the party still has an overdraft it is certainly not the huge \$500,000 as previously." Disclosure of the turnaround in the PNM's "kitty" was made at the party's last general council meeting held at its Balisier House Headquarters. Meanwhile, a party source has refuted allegations that the Ministry of Finance had discriminated against the Organisation for National Reconstruction (ONR) in favour of the PNM with respect to the staging of a raffle. Last weekend the ONR protested that the ministry turned down its application to hold a \$5 million raffle while more than one year later approved an application by the PNM to stage a raffle which offered the same first prize as the ONR's--a fully furnished dwelling house. The PNM official said that the party's application was yet to be made. "And dealing with the charge that we stole the ONR raffle idea... that is absolutely untrue because this party has been accustomed to hold large raffles including three-car raffles." [Text]  
[Port-of-Spain TRINIDAD GUARDIAN in English 3 Sep 85 p 3]

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